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COPPPAL Assembly Closes; Cooperation Urged

PY2506140491 Santiago Television Nacional de Chile Network in Spanish 0000 GMT 25 Jun 91

[Text] The Permanent Conference of Latin American Political Parties, COPPPAL, which met in Valparaiso for three days, agreed to urge Latin American heads of state to implement policies aimed at strengthening the economies and democratic systems of Latin American and Caribbean countries.

Approximately 90 representatives from 33 Latin American and Caribbean countries participated in the 16th COPPPAL plenary assembly, which was held in the main hall of the Chilean Senate in Valparaiso. The Chilean socialist and radical parties hosted the meeting.

At the end of the meeting, participants agreed to issue a call to Latin American heads of state, who are due to meet in Guadalajara soon.

[Begin unidentified COPPPAL official recording] Assembly participants urge the heads of state to seek new approaches for dealing with the debts that countries of the region owe each other, to broaden our trade by gradually reducing customs tariffs, to sponsor investment and trade promotion programs among business associations in our countries, and to establish mechanisms to finance integration. [end recording]

The next COPPPAL plenary assembly will be in Caracas, Venezuela, in March 1992.

Cuba

Carlos Aldana Travels to Moscow, Meets Officials

FL2506145691 Havana Radio Rebelde Network in Spanish 1350 GMT 25 Jun 91

[Text] Carlos Aldana Escalante, a member of the Secretariat of the Communist Party of Cuba, arrived in Moscow by invitation of the Central Committee of the CPSU. Aldana was greeted at the airport by Ivan Melnikov, a member of the CPSU secretariat.

According to PRENSA LATINA, this trip is part of the program of regular exchanges between the two parties. During his stay in the USSR, Aldana will meet with several CPSU leaders, Foreign Ministry officials, and other political personalities.

Soviet Spokesman: Aid Not Subject to Discussion

FL2606011791 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 26 Jun 91

[Text] Soviet presidential spokesman Vitaliy Ignatenko stated to the press today that Soviet aid to Cuba is not subject to discussion. In response to a question concerning Washington's demand that Moscow halt its support for Cuba as a condition for receiving extensive financial aid, Ignatenko asserted that this possibility is not being discussed at all. The head of President Mikhail Gorbachev's Press Office ruled out the possibility that this kind of condition would be set at an upcoming meeting in London between the Soviet head of state and leaders of the seven most highly developed capitalist countries.

Czech Economic Reforms Produce Negative Results

FL2506161491 Havana Radio Reloj Network in Spanish 1408 GMT 25 Jun 91

[Text] During the first three months of economic reforms in Czechoslovakia, the cost of living has increased 54 percent while salaries have only increased 6 percent.

The federal Office of Statistics has acknowledged that this adverse economic trend will drastically affect living standards. The buying power of personal income has suffered a 22 percent reduction. The crisis has been sharply felt in labor sectors, especially in agriculture, construction, and public services that have not benefited from the reforms.

At the beginning of the year, prices were deregulated but salaries were frozen. Consequently, the government granted a subsidy of 140 korunas to reduce the impact of cost of living increases.

German Party Donation To Aid Fuel Shortage

FL2506192591 Havana Tele Rebelde Network in Spanish 1700 GMT 25 Jun 91

[Text] The German Party for Democratic Socialism [PDS] made a cash donation to assist the initiative of the French communists to send a vessel with fuel to Cuba.

During a meeting of the PDS leadership with members of the delegations that had been invited to their recently concluded congress, Hans Modrow, honorary president of the PDS, asked that the Angolan, Cuban, and Nicaraguan people not be forgotten. It was decided during the last meeting of the congress to sponsor several types of donations to Cuba.

Ecuadoran Military Tours FAR Academy

FL2606015991 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 26 Jun 91

[Text] The delegation from the Institute for Advanced National Studies of the Republic of Ecuador, which has been visiting our country, toured the Maximo Gomez Revolutionary Armed Forces [FAR] Academy today. The delegation was met by Brigadier General Juan Pujol Sanchez, the director of the Academy, who gave them an extensive explanation of the center, the educational process, and the training of officers in various specialties.

They were also briefed on the operation of the National Defense College, where civilian and military cadres are trained in socioeconomic subjects, Cuban military arts, and the general concepts of the war of the entire people. On a tour of the various facilities, the Ecuadoran delegation, which is headed by Division General Carlos Jarrin, was able to observe the high scientific level of both centers.

The Institute for Advanced National Studies of the Republic of Ecuador is an academic institution that offers graduate courses on subjects of national security, socioeconomic development, and other topics with a political and military content. This is the first time representatives of this school have visited our country. During its stay in Cuba, the delegation toured places of social interest, including the Ameijeiras Brothers Hospital and the historic section of Havana.

Castro Attends Reception, Praises Health Efforts

FL2506144791 Havana Tele Rebelde Network in Spanish 1205 GMT 25 Jun 91

[Text] Commander in Chief Fidel Castro, president of the Councils of State and Ministers, attended a reception held at the embassy of the Oriental Republic of Uruguay on the occasion of the visit to Cuba by Tabare Vazquez, the mayor of Montevideo. Fidel was greeted by Alberto Bush Rubio, Uruguay's ambassador to Cuba, and by Tabare Vazquez, who is a medical doctor. Dr. Vazquez is researching the Cuban family doctor system and medical prevention programs.

[Begin Castro recording] We are very honored and happy with the advancement of all these health programs where so much can still be done for the people and yet so little is done. It makes us happy to see good ideas grow everywhere. I just visited the Orbis Project and spent over two and half hours there with outstanding people who are doing a praiseworthy job. I asked them how much time is being dedicated to prevention. They said that many things can be prevented indeed. It is a waste of time to train sight-saving surgeons when you can avoid the problem altogether by prevention.

It is very expensive. It involves a structure, the country, the doctors, everyone, besides specialists who are willing to forfeit their fees for 15 days. The Orbis Project has a permanent staff of 25 paid employees. The project is very expensive. The project cost about $6 million—I just had to ask—but you also have to consider all the voluntary contributions. The airport fee can be waived, the fuel might be supplied for free, or free quarters obtained for the doctors; any country, no matter how poor, can manage this. We can even help a little, we are looking into providing some assistance to them, donate to them the medicines and working supplies. Some 15,000 doctors have benefited from this experience, this training.

But realities are realities. Not every country can take advantage of this experience. They do not have specialists, or doctors, or anything. I told them that the seed was safe in the fertile soil of Cuba. [end recording]

Inter-Caribbean Affairs

Further on Caricom Common Market Council Meeting

FL2506184091 Bridgetown CANA in English 1801 GMT 25 Jun 91

[Report by Peter Richards]

[Text] Basseterre, St. Kitts, June 25, CANA—The Caribbean Community's [Caricom] Common Market Council opened a two-day meeting in St. Kitts on Tuesday [25 June], with secretary general of the community, Roderick Rainford, hoping for a widespread Common External Tariff [CET] shortly. Rainford said that only seven members of the community had introduced the tariff. (The community has 13 member countries, but the Bahamas is not part of the common market arrangement.)

The meeting here was "looking forward to the completion of implementing action by these countries where the matter is still outstanding," Rainford said at the opening of the meeting.

"We are looking forward to this meeting being critical in advancing that area," he told the gathering of trade ministers and other officials.

But in his welcoming remarks St. Kitts and Nevis' minister of trade and industry, Roy Jones, gave no indication that the twin-island state would soon introduce the controversial tariff.

"A number of our people still do not understand the CET," Jones said.

"It is difficult to understand and we have to give the CET.... even more publicly than we have in the past."

The CET, agreed to by Caricom leaders at the last summit in Jamaica, provides a unified tax structure against imports from third countries. The aim is to give goods made in the community an edge on imports from beyond the area. One major complaint is that the tariff will make some important goods very expensive.

Jones said that Kittsians were not the only ones expresssing "certain fears about the CET."

The chairman of the meeting, Belize minister of state in the Ministry of Trade and Commerce, Daniel Silva Jnr., said it was imperative that decisions be taken to move the integration movement forward.

"We really have to be serious about having Caricom work, some of us, including Belize, sometimes are suspicious of each other and I think we need to become less suspicious or otherwise Caricom will not be able to work," he said.

The council, the second highest decision-making body within the community, will also discuss President Bush's investment and debt relief programme—the Enterprise for the Americas Initiative. Rainford said the council will look at a draft agreement on the initiative worked out between a Caricom and United States Government delegation.

Another issue to be discussed here is Venezuela's proposal of a one-way free trade programme. Rainford said that he hoped the visit of Venezuelan President Carlos Andres Perez during the Caricom heads of government summit opening here July 1 would allow the community "to examine the matter of the possibility of identifying an appropriate instrument towards the objective of achieving the one way free trade agreement that could be signed in the next few days."

Carrington on Upcoming Caricom Leaders Meeting

FL2506144091 Bridgetown CANA in English 1338 GMT 25 Jun 91

[Text] Basseterre, St. Kitts, June 25, CANA—Former secretary general of the African, Caribbean, and Pacific (ACP) grouping Edwin Carrington has said that Caribbean Community (Caricom) [Caribbean Common Market] leaders meeting here next week will be confronted with pressing issues which "can no longer be postponed." Carrington, now Trinidad and Tobago's high commissioner to Guyana, mentioned in particular freedom of movement within the community and the full implementation of the Common External Tariff (CET), which could dominate the July 1-4 summit.

The CET provides for a unified tax structure against non-Caricom imports and though regional governments had agreed to its implementation by January 1, 1991, to date only seven of the 12 common market member states have put it in place.

Carrington described freedom of movement as an issue of "fundamental importance for any community we are trying to build." In a progress report on its regional consultations, the independent West Indian Commission, under the chairmanship of ex-Commonwealth secretary general Sir Shridath Ramphal, advanced the need for hassle-free travel within Caricom among its recommendations. The commission envisaged intra-Caricom travel for nationals of member states without passports, but using ID cards and drivers licences.

The commission has been mandated by Caricom leaders to formulate proposals for advancing the goals of the Treaty of Chaguaramas, which established the Caribbean Community. Carrington said that the group's interim report "signalled very important steps which the heads are going to look at."

The summit "has to be something substantial," Carrington said. But Carrington warned that decisions taken at the summit must be implemented, as the region seeks to cement its future. "There has been this congenital weakness in Caricom for implementing decisions," Carrington declared.

"It was pointed out years ago in the Pollard Report that the structure we have does not cater for the effective implementation of decisions. Now the heads in essense are responsible for the entire process so at the end of the day the responsibility comes back to them."

Two years ago Carrington was among candidates being considered as the first Caricom commissioner, a post the leaders had agreed to establish to help speed up the implementation of Caricom decisions.

He said that the Enterprise for Americas Initiative (EAI) announced by U.S. President George Bush in 1990 covering trade, debt, and investment will be another "important issue we will have to look at." The preliminary report of a Caricom technical group which reviewed the initiative, has indicated a positive response to it.

Dominica

Charles Presents 1991-92 Budget to Parliament

FL2506151591 Bridgetown CANA in English 1344 GMT 25 Jun 91

[Text] Roseau, Dominica, June 25, CANA—Dominicans will pay increased departure tax and higher fees for vehicle and drivers licences, and increased prices for some imports through tariff changes, Prime Minister Eugenia Charles said in her 1991-92 budget speech Monday. Charles told Parliament the embarkation tax will rise from EC[East Caribbean]15 to 20 dollars (one EC dollar = 37 U.S. cents)—yielding 250,000 dollars more in revenue, and vehicle and drivers licences will rise 67 per cent.

The prime minister and minister of finance said however that the Caribbean Community (Caricom) [Caribbean Common Market] Common External Tariff (CET) implemented here June 1 will result in some price increases and cautioned the business community not to overstate the increase.

"We are receiving strong signals from the distributive trade sector that prices will increase considerably," she told Parliament. She charged some members of the private sector with attempting to create a panic situation by suggesting that the CET would result in a doubling of the prices of motor vehicles. She said passenger vehicle prices should increase by no more than 7 per cent and pick-up trucks should be 8 per cent cheaper as a result of the tariff changes implemented by Caricom states to protect regional production and trade from extra-regional competition.

Charles said the government has taken steps to mininize the adverse effect of the CET on prices by securing concessions at the regional level. Charles said government has been able to "negotiate special rates, no higher than those that existed before, on a range of basic food items, clothing, medicines, building material, industrial machines, and some items of equipment."

Adjustments were also made to consumption tax levels to compensate for any increases in some of the same items of foods, clothing, and medicines for which special arrangements have been made.

The government has said the new budget is designed to stabilise the country's fiscal position after a large salary and wage award made during the past fiscal year. Public workers and the police here received pay increases last year after industrial action by both groups.

CET Trade, Investment Opportunities

FL2506172791 Bridgetown CANA in English 1708 GMT 25 Jun 91

[Text] Roseau, Dominica, June 25, CANA—Prime Minister Eugenia Charles thinks a Common External Tariff (CET) Caribbean Community member countries have been introducing has the potential for increasing opportunities for trade and investment in the region. Miss Charles told Parliament on Monday during her budget presentation that Dominica had to be prepared to identify those opportunities and move ahead to establish itself on the market.

"There is also the danger that the new common market arrangement will leave us open to stronger competition from the more developed countries of our region," she said.

This, however, could be overcome "if we are prepared to make our operations more efficient, and our goods more

competitive both in quality and price." One by one, Caribbean Community nations have been launching the CET, which aims at protecting regional manufacturing against third country exports.

Opposition Leader Criticizes Budget, Cabinet

FL2606013191 Bridgetown CANA in English 1933 GMT 25 Jun 91

[Text] Roseau, Dominica, June 25, CANA - Dominica's opposition leader, Edison James, on Tuesday suggested that the government reduce its Cabinet of 11 ministers by two. Contributing to the debate on the 209.7 million dollar (one East Caribbean dollar=37 U.S. cents) budget presented by the government Monday, James said the portfolios of Labour Minister Heskeith Alexander and External Affairs Minister Brian Alleyne could be absorbed by other ministers. This had been the case with previous governments, he said. James also suggested that the four parliamentary secretaries be reduced to two.

Noting that the 1991-92 budget was about 14 million dollars lower than the previous one, James charged that the fiscal package lacked depth and was a backward step.

"This year we have a budget which is retrogressive," he told the Caribbean News Agency. "There is no real encouragement there for the productive sector... There is nothing there designed to stimulate growth and to generate the kind of local revenue that is desirable," the opposition leader charged.

He urged the government to "adopt policies which maximise returns on our domestic output."

However, government MP's [members of Parliament], defending the budget presented by Prime Minister Eugenia Charles, point to continuing development projects, which are catered for in the new budget, as a sign that the development process is well on track. Among these projects are the construction of a new general Post Office building, the upgrading of the major sports facility in the capital—the Windsor Park—as well as a modern hospital complex at Portsmouth for the north, and a bulk water facility being constructed for the exporting of water.

"The budget will further consolidate the economic growth that has been taking place in the country," government MP Ossie Walsh said.

Dominican Republic

U.S. Sanctions Over Haitian Issue 'Doubtful'

FL2506143691 Santo Domingo Cadena de Noticias in Spanish 1100 GMT 25 Jun 91

[Text] The secretary of labor has said it is doubtful that the Dominican Republic will be censured by the U.S. Congress as a result of claims that Haitian cane cutters are being treated like slaves.

Rafael Alburquerque expressed his optimism after a resolution by the International Labor Organization [ILO] that emphasized the efforts of the Dominican Government to improve living conditions in sugarcane plantations. The official pointed out, however, that the resolution of the ILO does not necessarily have to be followed by sovereign nations, but it has been traditional to take the organization's resolutions into consideration.

Alburquerque says that the ILO resolution is a serious blow to the efforts of the Haitian Government and other foreign entities to get the Dominican Republic censured.

Further on Repatriation of Haitian Workers

Ricardo 'Ready for Dialogue'

FL2506175691 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 25 Jun 91

[Text] Dr. Joaquin Ricardo Garcia affirmed that the government is ready for dialogue with Haitian authorities on the matter of the repatriation that it has been carrying out over the last several days. The Foreign Relations secretary said that the authorities hope to enhance the friendly relations between the two countries without sacrificing their sovereign rights. He insisted that these rights will never be negotiable.

Ricardo Garcia reiterated that the Dominican Government has been aboveboard with Haiti, including when that country was governed by a dictatorial regime. He submitted that Port-au-Prince is not aboveboard with us. Now that Haiti has entered into a democratic process, the Dominican Government has had to go regularly to the Haitian presidency, the foreign secretary explained. The foreign relations secretary insisted that the government of President Balaguer does not reject dialogue with Haiti, but noted that the repatriation process is irreversible.

Military, Immigration Aid Repatriation

FL2506192491 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 25 Jun 91

[Text] Military and immigration officials are working to conclude a relocation program of illegal Haitians working on rice and coffee plantations. This program was an attempt to reduce the number of illegal entries from the neighboring country who work as agricultural laborers.

One report from the General Directorate of Immigration indicated that immigration inspectors and military personnel will initiate searches through all agriculture districts of the Republic.

Thousands of Haitains are employed as farm workers, especially on coffee and rice plantations. Many of these plantation workers have been hired without complying with the law. For the past two weeks, the government has

made an effort to repatriate to Haiti hundreds of Haitians, now living in cities and the countryside, who do not have the necessary documentation.

Haiti

Ministers Leave for Meetings With World Powers

FL2606001691 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 25 Jun 91

[Excerpts] On 10 July, representatives of the powerful countries, as well as the World Bank's Consultative Council, will meet with Haitian officials in Paris to discuss aid, the qualifications of Haiti's new officials, the country's potential, the caliber of its presentation to this meeting, and the ability of the country to absorb economic aid.

Many preparations are therefore being made for this conference. Two Haitian ministers will leave today, 25 June, for Canada, the United States, Germany, Belgium, Switzerland, and France. They will meet with officials of these countries in preparation for the 10 July meeting in Paris.

The two ministers met yesterday with the press, assessing the amount of foreign aid Haiti should be receiving, beginning anytime within the next few days, to within three months at the latest, following a number of agreements Haiti has signed with various foreign agencies, multilateral agencies, and for bilateral help from a number of countries. According to the assessment presented by Planning Minister Renaud Bernardin, Public Works Minister Frantz Verella, and Economy Minister Marie Michele Rey, Haiti will receive a total of $151.6 million. Around $100.62 million, or 66 percent, of this money will come from multilateral agencies, such as the Inter-American Development Bank [IDB], the United Nations, OPEC, and PAM [World Food Program]. The remainder will fall within the category of bilateral aid from Canada, China, the United States, France, and Japan.

The ministers have already allocated these funds according to priority. The government will therefore invest most in the fields of agriculture, transportation, energy, communication, and microprojects. Some money will nevertheless be allocated to all other sectors. The planning minister commented that although foreign countries will help Haiti, without the participation of the Haitian population, no real development can occur. [passage omitted]

The Haitian delegation will participate in the meeting on 10 July of the powerful countries and will ask for increased aid to Haiti for the next two years, which should enable Haiti to acquire these funds more easily. [passage omitted]

PANPRA Poses Measures on Repatriation Issue

FL2506214291 Port-au-Prince Radio Metropole in French 1600 GMT 24 Jun 91

[Text] The Nationalistic and Progressive Party of Haiti [PANPRA] proposes the formation of a joint executive-legislative commission to seek a solution to the Dominican Republic's repatriation of Haitians in illegal situations in that country.

PANPRA also recommends establishing a national consensus among the various social and political sectors of this country; arranging a summit meeting between the heads of state of the two countries, during which the following questions could be discussed: the situation of Haitian nationals in the Dominican Republic in general, and of the braceros [cane cutters] in particular; commercial exchange between the two countries; a concerted plan of economic integration between Haiti and the Dominican Republic.

In conclusion, PANPRA warns against fishermen in shallow waters who will exploit this situation and threaten the building of democracy in Haiti by embroiling it in crises with unpredictable consequences for both nations.

Correction to Support for Cuba, Libya

FI1906210891

The following correction pertains to the item headlined "Demonstrators Support Relations With Cuba, Libya," published in the 18 June Latin American DAILY REPORT, page 7:

Column one, first paragraph, first sentence to second sentence, make read: ...United Militants Front, took place in the streets of Port-au-Prince. Yesterday they demonstrated against the... (deleting inaccurate acronym)

Correction to Government Implicated in Operation

FL1906201791

The following correction pertains to the item headlined "Government Implicated in Operation Storm Wind," published in the 18 June Latin America DAILY REPORT, page 6:

Column one, fifth paragraph, first sentence, make read: ...sector has escalated since 1985 to more than 30,000. (rewording)

Jamaica

Food Assistance Program Signed With Canada

FL2406115191 Bridgetown CANA in English 1943 GMT 22 Jun 91

[Text] Kingston, Jamaica, June 22, CANA– Jamaica and Canada have signed an eight million (Can) dollars food assistance programme, as part of Canadian balance of

payments support to the island, the government here reported. Under the agreement, Jamaica will receive canned sardines, purchased by Canada through the Canadian International Development Agency (CIDA). The sardines will be delivered to the Jamaica Commodity Trading Company, the government trading agents.

Trinidad and Tobago

Industrial Court Orders WASA To Pay COLA

FL2106172491 Bridgetown CANA in English 1707 GMT 21 Jun 91

[Text] Port of Spain, Trinidad, June 21, CANA—Trinidad and Tobago's Industrial Court has ordered the Water and Sewerage Authority (WASA) to immediately reinstate Cost of Living Allowances [COLA] suspended in 1987. The court also ordered payment of arrears of COLA, an increment made to government workers based on the rise in the cost of living index, along with interest at the rate of 3 per cent rate, and merit increases to more than 5,000 daily and monthly-paid workers.

COLA was suspended across the public service as the government moved to tackle economic problems. Following WASA's suspension of COLA, two unions, the National Union of Government and Federated Workers and the Public Services Association, took the issue to the court arguing that it was in breach of the workers' contract. The court ruled that WASA breached the workers' contract of employment.

The judgement was delivered by industrial court tribunal members Cynthia Riley-Haynes and Vernon E. Ashby Thursday. WASA is considering appealing the judgement, chairman Imtiaz Hosein told the Trinidad GUARDIAN newspaper.

Costa Rica

Government Denies Arms Trafficking to Panama

PA2206024691 Paris AFP in Spanish 0553 GMT 21 Jun 91

[Text] San Jose, 20 Jun (AFP)—Costa Rican Security Minister Victor Herrera categorically denied on 20 June the reports that appeared in the Panamanian press on the alleged trafficking of arms from Nicaragua to Panama and Colombia.

"It is not true that the minister told Panamanian newspaper LA PRENSA that Costa Rican authorities had discovered several arms shipments at the southern border of Costa Rica, which were destined for Panama and Colombia," a Security Ministry communique said.

The official communique also stated that "it is also not true that after the war ended in Nicaragua and Violeta Chamorro took office, authorities discovered a shipment of weapons and that those weapons went across our southern border, as was reported by the Panamanian newspaper."

According to the communique, the Costa Rican minister only told the newspaper LA PRENSA that a former officer of the Sandinist People's Army had been arrested with 20 AK-47 automatic rifles, which, according to the former officer, he was attempting to sell to Panamanian citizens.

The government's rebuttal concluded that "it was never said, nor is there any evidence to indicate, that arms shipments went across Costa Rica's southern border."

El Salvador

Cristiani, UN Mediator Agree on Talks Progress

PA2506220091 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 25 Jun 91

[Text] Salvadoran President Alfredo Cristiani and UN Representative Alvaro De Soto agreed on 24 June that progress is being made during the peace talks with the Salvadoran guerrillas.

President Cristiani said: Any progress is important and we must keep in mind that we are reaching a point where the remaining issues are more complicated. However, we are making progress. He also added that a general cease-fire is not far away and will be dealt with in the near future.

Peace dialogue meditor and Peruvian diplomat Alvaro De Soto, a representative of UN Secretary General Javier Perez de Cuellar, also pointed out in San Salvador that the negotiations are progressing.

On 22 June, representatives of the Salvadoran Government and the Farabundo Marti National Liberation Front [FMLN] concluded another round of negotiations in Mexico without reaching any concrete agreements that would bring an end to 11 years of war, which has resulted in more than 70,000 casualties.

According to Alvaro de Soto, several elements of what could eventually be a cease-fire agreement have been discussed. The difficulties and problems that need to be resolved have been identified. De Soto added that a lot has been achieved in terms of the wording of an agreement.

After the last round of peace talks held in Mexico from 16-22 June with the mediation of the United Nations, it was not diclosed if there were any agreements made with respect to the future of the Armed Forces or any political issues that would lead to the signing of a cease-fire.

The peace talks took place in the Mexican city of Queretaro and the only thing that has been officially revealed is that they will resume shortly but no place or date has been disclosed yet.

President Cristiani said the Armed Forces and cease-fire issues will dominate the next round of discussions because the Salvadoran population urgently wants an end to the war. He also pointed out that the cease-fire will be the first important step in pacifying El Salvador. He described the fact that the FMLN has increased its military operations during the past days as a negative practice.

When questioned on whether or not the United Nations is satisfied with the results achieved so far during the peace talks, De Soto stated that he will be very satisfied when there is peace. He left for Mexico on 24 June after meeting with President Cristiani and other political and civic leaders of El Salvador.

Captured Rebel Discloses Arms Route to FMLN

PA2506185391 San Salvador EL DIARIO DE HOY in Spanish 24 Jun 91 p 12

[Text] A captured rebel has disclosed that weapons from Nicaragua for the terrorist groups come in via Honduras through Las Pilas, Las Granadilla, and El Centro hamlets in northern Chalatenango.

The National Guard has reported that Neftali Godofredo Cabrera Chavez said that since 1984, he has been transporting weapons in his truck. Cabrera also said that the FMLN [Farabundo Marti National Liberation Front] pays him in dollars for this service, the National Guard reported.

The National Guard claims that Cabrera was in charge of supplying explosives to the groups that operate in the northern region.

The prisoner said he was from San Alejo, in La Union Department. According to the source, Cabrera said he had been recruited in 1979 and that his first mission had been to supply the rebel groups in areas where there were

no Army patrols, particularly in Las Pilas, Los Planes, El Centro, and Rio Chiquito hamlets in San Ignacio.

The National Guard also said that he used to house the terrorists who had been wounded in clashes with the Army, as well as supply them with weapons, explosives, ammunition, and propaganda.

The prisoner was placed under the custody of the Tejutla judge.

Roundup of Clashes Between Army, Rebels

PA2606035691

[Editorial Report] Following is a compilation of reports on clashes between Salvadoran Army troops and FMLN (Farabundo Marti National Liberation Front) guerillas that have taken place between 15 and 21 June.

(Clandestine) Radio Venceremos in Spanish to El Salvador at 0000 GMT on 16 June broadcasts three minutes of battle reports:

The first report states that on 15 June "the FMLN inflicted 14 casualties on the enemy troops in the northern San Miguel area as they tried to invade our territories. The clashes started when two companies of the (Baquerano) Battalion of the 3d Infantry Brigade appeared in the El Porvenir Canton, Chapeltique municipality." The report adds that the casualties included four dead and 10 wounded; the wounded include a lieutenant and two sergeants. The rebels seized several grenades, ammunition, and other military materiel. The report concludes saying that the rebels reported no casualties.

The next report on Radio Venceremos states that on 15 June at 1000 hours, National Army for Democracy (END) troops attacked troops of the 1st Military Detachment and the 4th Infantry Brigade. The report states that "the attack took place in the Las Vueltas Municipality, Chalatenango Department, and the government troops suffered seven casualties."

(Clandestine) Radio Farabundo Marti in Spanish to El Salvador at 1600 GMT on 17 June carries a two-minute battle report stating that on 15 June at 0830 hours, END troops "attacked soldiers of the 4th Military Detachment in La Haciendita, in the town of Ocicala, Morazan Department and inflicted one casualty." The report adds that the END troops suffered no casualties.

Radio Venceremos at 0000 GMT on 18 June carries eight minutes of battle reports:

One report states that on 16 June the END clashed with four companies of the Cobra and Cayahuanca battalions of the 4th Infantry Brigade in La Vuelta Del (Comun), Dulce Nombre De Maria Jurisdiction. The station claims that "after four hours of clashes the enemy had suffered seven casualties including dead and wounded."

Another report from Venceremos states that on the morning of 17 June, a company of the Arce Battalion was ambushed on the Pan-American Highway near Nueva Granada in Usulutan Department. The report adds that "as a result of the clash, the Arce Battalion suffered 12 casualties including a radio operator."

The next report states that on 17 June, END troops occupied Santa Clara, San Vicente Department. The report states that a commando company of the 5th Infantry Brigade arrived and clashed with the rebels for three hours. The report adds that "The government's Army suffered one casualty before running away. On our part, one END companion was wounded."

The last report states that on 16 June at 1330 hours, END troops clashed with a company of the Cabanas Battalion of the 2d Military Detachment which was patrolling near Dulce Nombre De Jesus. The report states that "the END troops inflicted two casualties on the Army without experiencing any problems at all."

Radio Farabundo Marti at 0000 GMT on 18 June broadcasts 8 minutes of battle reports:

The initial report states that END troops inflicted 14 casualties on 4th Infantry Brigade during clashes held between 0645 and 1200 in Chalatenango on 17 June. The report states that "the clash involved a company of the Cobra Battalion and reinforcement troops in the Penascaloso hill and the Venado, Sanchino heights and other hills in the Dulce Nombre De Maria jurisdiction."

The next report states that on 17 June two more casualties were inflicted on the Atlacatl Battalion. The report states that "one of the casualties occurred in a clash that took place near the Las Limas hamlet in Las Flores jurisdiction, Chalatenango Department."

The last report states that during clashes in the San Benito hill, Cinquera jurisdiction on 17 June, "two casualties were inflicted on the 5th Military Detachment."

(Clandestine) Radio Venceremos in Spanish to El Salvador at 0036 GMT on 19 June carries seven minutes of battle reports:

The first report states that on 18 June END units inflicted five casualties, including a lieutenant, on the 3d Infantry Brigade and Cavalry troops in Villa El Triunfo, Usulutan Department.

Another report says that on 17 and 18 June, during a Salvadoran Army offensive inside rebel territory, 15 clashes took place in Chalatenango Department and according to military reports from the area, the FMLN has inflicted over 55 casualties on Army troops.

Another report states that on 18 June END units inflicted seven casualties on troops from Military Detachment No. 1 and 4th Infantry Brigade. "A radio operator was among the seven casualties inflicted on Salvadoran Army troops during the heavy clashes in La

Ceibita and El Amatillo, Las Vueltas Jurisdiction, Chalatenango Department from 0600 to 1100 on 18 June," Venceremos adds.

Radio Venceremos also reported that on 18 June, END units ambushed Concagua Battalion troops from Military Detachment No. 3, which was being deployed in La Union Department. "As a result of the clashes, which began at 1600 and which lasted 45 minutes, Concagua Battalion troops suffered three casualties," Venceremos reports.

(Clandestine) Radio Venceremos in Spanish to El Salvador at 0030 GMT on 20 June carries seven minutes of battle reports:

The first report states that on 18 June Military Detachment No. 5 and Military Detachment No. 2 carried out actions against territories under FMLN control in Cabanas Department. "Enemy troops suffered three casualties as a result of clashes in mined fields," Venceremos reports. The information adds that one of the casualties was suffered by Trueno Battalion troops after clashing with END units at 0700 on 18 June in near El Cacao hamlet, Cinquera Jurisdiction, Cabanas Department.

Venceremos adds that heavy clashes took place today, 19 June, between END units and Bracamonte Battalion troops in El Rincon, San Jose Guayabal Jurisdiction, Cuscatlan Department. "As a result of the clashes between 1000 and 1300, Bracamonte Battalion suffered five casualties, including a sergeant," Venceremos says.

A final report on this broadcast states that at 1400 on 19 June, a casualty was inflicted on the Atlacatl Battalion in (La Bola) hill, San Jose Las Flores Jurisdiction, Chalatenango Department.

(Clandestine) Radio Farabundo Marti in Spanish to El Salvador at 0000 GMT on 20 June carries two minutes of battle reports:

The rebel station claims that END units inflicted 10 casualties on Army troops in clashes with the Atlacatl Battalion in San Jose Las Flores Jurisdiction, Chalatenango Department on 19 June. The station adds that END units inflicted one casualty on Army paratroopers in Cinquera, Cabanas Department on 19 June.

San Salvador LA PRENSA GRAFICA on 20 June on page 2 reports that nine rebels were killed and 11 were wounded in clashes with Army troops in different parts of the country. According to the same official report released yesterday, 19 June, a soldier was killed and three others, including an officer, were wounded. According to the military report, two rebels were killed and five were wounded in El Semillero Canton, Villa El Triunfo Jurisdiction, Usulutan Department. Second Lieutenant Abraham Rodriguez Turcios was wounded in this action, according to the report.

The same paper cites a report from the 6th Infantry Brigade, saying that a clash took place in La Esperanza canton, Jiquilisco Jurisdiction. "As a result a soldier and a rebel were killed," the report states.

Meanwhile, Military Detachment No. 3 reported that three rebels were killed during a clash in El Rodeo Hamlet, La Union Department. "War materiel was confiscated," according to this military report.

Another report in the paper states that "two rebels were killed and five others were wounded" during a clash in Cueva del Ermitano Hamlet, Dulce Nombre de Maria Jurisdiction, Chalatenango Department.

Finally, LA PRENSA GRAFICA states that according to Military Detachment No. 1, a rebel was killed and a soldier was wounded in another clash that took place in the village of El Amatillo, Las Vueltas Jurisdiction, Chalatenango Department. No dates were given for the military reports published by LA PRENSA GRAFICA.

(Clandestine) Radio Venceremos in Spanish to El Salvador at 0000 GMT on 21 June broadcasts five minutes of battle reports:

One report says that the "END rebels inflicted four casualties on the Atlacatl Battalion after heavy clashes at 1700 on 19 June" in San Jose Las Flores jurisdiction.

According to another report, "END troops attacked Treasury Police positions in Villa Victoria, Cabanas, on 20 June and inflicted three casualties." The report adds that the Salvadoran Army "responded with 60-mm mortar [as heard] fire against the area around the town."

A report from Cuscatlan Department states that "heavy clashes took place at 1000 on 20 June in El Rincon, San Jose Guayabal jurisdiction, between END and Bracamonte Battalion troops." As a result, "the enemy sustained two casualties."

(Clandestine) Radio Farabundo Marti in Spanish To El Salvador at 0000 GMT on 21 June carries five minutes of battle reports:

One report says that "on 20 June, END rebels fought with 6th Infantry Brigade troops at Finca [word indistinct] and Finca La Esperanza in Chinameca, San Miguel Department." The rebels inflicted four casualties on the Army.

The station adds that on 20 June the END ambushed a Military Detachment 2 patrol along the road to San Rafael Cedros. The report states that "the ambush was carried out with mines and rifles, and two casualties were inflicted."

In the same segment of battle reports, Radio Farabundo Marti states that rebels clashed with a company from Military Detachment 5 in San Nicolas, Chalatenango Department, inflicting one casualty on that detachment."

Panama City ACAN in Spanish at 2216 GMT on 21 June carries a 100-word report that says the Armed

Forces Press Committee (Coprefa) reported that on 21 June "at least three soldiers and one social worker were killed, and three soldiers were wounded in a guerrilla ambush in the northern Chalatenango Department." ACAN says the Coprefa report added that another two soldiers are missing.

(Clandestine) Radio Venceremos in Spanish to El Salvador at 0000 GMT on 22 June broadcasts five-minutes of battle reports:

One report says that on 21 June "END forces ambushed an Army truck that was on its way from Chalatenango to El Paraiso," The 10 soldiers from Military Detachment 1 who were on board "were annihilated." In the action, the rebels seized five M-16 rifles, five backpacks, ammunition, and other military equipment. The report concludes by stating that "the military vehicle was completely destroyed."

The station continues with a report that on 20 June, END rebels clashed with units from the Jucuaran and Barrios Battalions "when they tried to enter occupied territories in La Pena and Esperanza cantons, San Miguel Department," and as a result, "the enemy sustained four casualties."

The report adds that "the END inflicted six casualties on the Vaquerano Battalion," in maneuvers against "enemy positions in Cerro Suspiro, Ciudad Barrios in San Miguel Department."

The rebel station continues to report that in Cerro Guazapa, San Jose Guayabal in Cuscatlan Department the END inflicted 10 casualties on units of the Bracamonte Battalion, on 19 and 20 June. Meanwhile, Military Detachments 2 and 5 sustained five casualties in fighting that took place on 19 and 20 June in several towns in Guazapa, San Antonio, and Cinquera jurisdictions, Cuscatlan Department.

Guatemala

Serrano Comments on Government-Guerrilla Talks

PA2506223091 Guatemala City Teleonce Television in Spanish 0400 GMT 25 Jun 91

[Text] President Jorge Serrano Elias said this morning, 24 June, that the talks held last week between the government and the Guatemalan National Revolutionary Unity, URNG, in Cuernavaca, Mexico were very beneficial.

During the ceremony held to install the preparatory commission of the Central American Parliament, Serrano briefly commented the results of the Cuernavaca meeting.

[Begin recording] [Serrano] I believe we have made impressive progress. We have exchanged viewpoints. As Monsignor Girardi clearly said on one occasion, it is impossible to eat an elephant in just one bite, however, the country's democratization and all aspects related to a democratic society takes time. We have to discuss it. We are looking at the problem from two different viewpoints: a liberal position such as ours and a totalitarian or socialist position such as theirs. I want to say, however, that the rapprochement as to the exchange of information and opinions was extremely favorable and this guarantees the continuity of the process and success for the future.

[Unidentified reporter] [Words indistinct] salary for the representatives of the Central American Parliament?

[Serrano] That has been taken into account. It will be 6,000 quetzales per month.

[Reporter] Beginning when?

[Serrano] Beginning now, since a preparatory commission has been formed.

[Reporter] Mr. Vice President [as heard], international news dispatches reported that one of your advisers was in charge of the training of...

[Serrano, interrupting] Yes, we denied it and they properly apologized. The URNG denied that such information had emerged from there. The CERIGUA news agency had incorrectly speculated.

[Reporter] [Words indistinct] where they point out that the Army is making a mistake by holding talks with the guerrillas.

[Serrano] I do not know who the officers of the mountain are. It was an anonymous document and I am not going to comment any further on people who do not have the guts to show their faces. [end recording]

URNG Accuses Government of Bombing Civilians

PA2506185291 Guatemala City EL GRAFICO in Spanish 22 Jun 91 p 6

[Text] The Guatemalan National Revolutionary Unity [URNG] has issued a press communique to condemn the recent bombings in civilian areas of El Quiche Department.

A description of the events was sent to EL GRAFICO and reads as follows:

On 11 June between 1400 and 1500, near the village of Cantabal and close to Grande Beach, site of the 22d military zone command post, an A-37B Dragonfly jet and two helicopter gunships—all U.S. made—launched 12 bombs, including 500-pound ones, and deadly high-powered rockets, onto densely populated and farmed areas in the Ixcan Municipality, Quiche Department.

We condemn this indiscriminate attack by the government and the Army's High Command that once more displays their indifference and disregard for human rights and the international war treaties, and that also

clearly demonstrates their disregard for the life of our people, particularly children.

Commentary Praises Antidrug Committee Meeting

PA2406001391 Guatemala City PRENSA LIBRE in Spanish 21 Jun 91 p 10

[Commentary by Mario Antonio Sandoval]

[Text] The first meeting of the Guatemalan-Mexican Cooperation Committee in the struggle against drug trafficking and addiction is being held in Guatemala City on 20-21 June. Mexican Attorney General Ignacio Morales Lechuga and Jorge Carrillo Olea, the coordinator to fight crimes against health, are visiting Guatemala to attend this meeting. This first meeting is very important because, as we have all noticed, drug traffickers are increasingly using Guatemala as a bridge to transfer drugs to the northern part of the continent. Most of the drugs are going to the United States, which is the world's biggest market, but some of it remains in Mexican territory. The latter has not only caused an outrageous increase in the use of drugs in Mexico, but it has also forced the country to use more resources and personnel to combat all aspects of the transfer of drugs going to other places.

According to reports on the meeting, the coordinating authorities from both countries decided by consensus that the committee will make recommendations to their governments on ways to cooperate more effectively in the struggle against this evil. It is not a matter of imposing any ideas on others, but finding the best way to succeed in this noble crusade. In that sense, this attitude is laudable. However, Mexico and Guatemala's participation is not enough to represent a real obstacle for the drug business. Similar efforts must be conducted with Central American countries, which are also used as bridges for international drug trafficking and have become centers where drug production and consumption have increased with serious socio-economic consequences. Anti-drug cooperation must take U.S. authorities into account, because without their cooperation, the results of efforts undertaken after this first meeting will be very limited in practice.

The United States, which is a paradise for the drug market, continues to be the main cause of international drug trafficking, particularly in Latin America. The efforts conducted internally by that country have faced serious blows, such as the case of Washington Mayor Barry, who despite the existence of a film confirming that he consumed drugs, was not severely punished by the predominantly black jury that issued the verdict. If a high government official in Washington can consume drugs and evade the action of anti-drug agents, common citizens will receive a clear message: it is possible to be a drug addict without receiving exemplary punishment. It also contributes to reaffirm the main problem concerning drug trafficking: despite the work carried out by the government and civic groups, the majority of U.S. citizens still view drug addiction as a minor offense which therefore need not be punished too severely, or believe that it is a social ailment that is not wide spread enough to be considered an epidemic.

All countries really interested in fighting drug trafficking should punish consumers, traffickers, and sellers. Especially in the United States, drug addicts initially try drugs out of curiosity for something new and because they are sure that they will not be punished. The fight against the production and transportation of drugs is useless unless those who buy it are also punished. It is as simple as that. In our countries there are hundreds, maybe thousands of men risking their lives in the struggle against drug trafficking. Many of them will die as a result of their efforts. However, their efforts will be in vain if consuming countries do not punish drug addicts. The Guatemala meeting is the first step in a series of measures that must be adopted by the two countries in a joint struggle against drug trafficking. However, that is enough to wish them success and offer them all the necessary help to accomplish their work efficiently.

* Fiscal Policies, Information Management Faulted

91CA0159A Guatemala City EL GRAFICO (LA REVISTA SUPPLEMENT) in Spanish 9 Jun 91 pp 20, 45

[Article by Carlos Rafael Soto]

[Text] You have probably seen it an infinite number of times already. A messenger enters the bank to pick up his check (450 quetzales) and to ask how much he has to spend on buying emergency bonds. And the friendly cashier explains to him that no, he does not have to buy anything. Only those who made more than 36,000 quetzales last year must pay. He further explains that this is not the collection of a tax but simply a loan to the government so that the authorities can pay for the costs of health and education.

The statement seems falser than a 2 quetzal bill. This is because the deduction will not be a loan but a tax, levied in the context of a very simple game. Either the tax is paid or a claim is made for some 9 billion quetzales of income tax which has not been forgiven. A little more than 800 million quetzales will have to be paid, for the most part, by no more than 20 companies. And it might appear to some that it is a good thing for them to pay, because their profits are very high. However, this view ignores the substance of the matter, which involves the use of the money and the effects which collecting it are going to cause between the middle and working classes.

According to information from the government, of the 827.7 million quetzales (100 percent) to be collected through the sale of emergency bonds, 400 million quetzales (48.33 percent) will be earmarked for the payment of interest and amortization on capital pertaining to the external debt. Of the remaining 427.7 million quetzales only 284.5 million (34.4 percent) will

be earmarked for investment. And if we take away from those 284.5 million quetzales the money intended for the maintenance of public buildings (225 million quetzales, excluding investments in health and education), the result is that the real investment is reduced to less than 60 million quetzales.

Salva's propaganda tries to exploit two of the most unfortunate situations in the country: health and education. Nevertheless, what the government is planning to earmark for those two sectors is less than 200 million quetzales. Of the 827.7 million quetzales of unpaid income tax only 88 million quetzales will be invested in the health and education sectors. That amounts to only a little more than 10 percent.

This brings us to the first conclusion: the government is lying when it says what the true uses of that money are.

Then let us ask: how is the payment of that tax by the great, productive sector going to affect the middle and working classes?

Let us just take the example of a medium sized company which, according to the calculations made by a deputy, will have to buy bonds amounting to a total of 21 million quetzales. Logically, its owners are not going to resign themselves to absorbing this loss and are going to compensate themselves for it through the well known process of increasing the price of the products which they sell to the public. This brings us to the second conclusion: those bonds not only are inflationary but furthermore will wind up being paid, not by big business but by the final consumer. And that is called inflation.

If I Have Money and Owe Money, Then I Have No Money

The president of the Banco de Guatemala [Bank of Guatemala—BANGUAT] states that his bank, "has accumulated reserves which have reached the record level of $415 million. This has encouraged not only stability in the rate of exchange but also in strengthening the quetzal." He added that, "The people will benefit to a substantial extent, for the most certain effect is being able to guarantee, for a rather long period of time, the stability of the rate of exchange."

What the president of BANGUAT has covered up on two occasions is the fact that in December 1990 overdue repayments on the external debt amounted to more than $250 million. Guatemala is behind one year in its payments on the external debt. Doing what Linares does is the same thing as thinking only about the money which you have in your pocket, refusing to remember that this same money will have to be paid out tomorrow. Therefore, there are no record levels of reserves. At most there is a very small amount of net reserves, which are not even going to limit the effects of the economic changes which are very probably going to occur in a short time.

When the Sight Draft Hit Us

To reduce the amount of money in circulation and, at the same time, to create a breathing space which would make possible a certain, short term stability to take action with more enduring effects, the Banco de Guatemala introduced the sight draft at such high interest rates (more than 30 percent) that they created a true avalanche of buying on the part of those who found in them an easy and risk free way of increasing their capital by more than 30 percent in barely 90 days. Between August and December 1990 259.1 million quetzales in 91 day sight drafts and about 189.2 million quetzales in 63 day sight drafts were purchased. That is, a total of 448.3 million quetzales. Between January and April 1991 it is estimated that this figure could more than double. Some people talk about 900 million quetzales in sight drafts, while others speak of 2 billion quetzales. However, whatever the exact figure, one thing is clear: the objective of withdrawing money from circulation gave way as the basic objective to making rapid and substantial profits for a few speculators. It would be interesting to know how many people or entities bought these sight drafts in amounts greater than 100,000 quetzales, for example. If the BANGUAT would dare to make this figure public, we would see that those certificates served, whether intentionally or not on the part of the bank, as a magnificent piece of business for a few people.

In this matter there is another, disturbing aspect: the repatriation of dollars for speculative purposes. In the last few months the price of foreign exchange on the black market tended to decline slightly. One cause of that could be an abundance of dollars by reason of the repatriation already referred to. (Oddly enough, in the same period of time prices, far from declining, as they should have done, continued rising).

The question is: where is the BANGUAT going to find the money to pay the interest and to return the capital invested in sight drafts? If we accept as approximately true that the figure is about 1.0 billion quetzales, we have to accept that the bank will have to pay in 91 days or a few days sooner a total of 1.3 billion quetzales (in capital and interest). Where is it going to find that money? The answer is clear: by issuing unbacked paper currency.

And what is going to happen when the speculators who brought in the dollars—and those who invested quetzales but who fear that our currency may decline in value—begin to change all of those quetzales into dollars? Well, the dollar is going to shoot up, creating corresponding fear and resulting in the already well known practices of hoarding and an increase in the prices of all products.

You Can See It in the Market

Juan Luis Miron, the minister of economy, states that, "Inflation has been reduced." He is one of the members of the trio who are guiding the national economy. To this remark Richard Aiktenhead adds that inflation was reduced to 3 percent in the first four months during

which the government has been in office. This is the liberal prescription for achieving this miracle.

Nevertheless, each time that housewives go to the market they refute these statements. There are plenty of examples: "rochoy" increased in price from 7.49 to 11.40 quetzales (52 percent) between January and May. And in that same period other products experienced changes like the following: pork chops have risen from 8.00 to 15.00 quetzales a pound (87.5 percent); sausages, from 7.00 to 12.00 quetzales a pound (71 percent); cooking oil, from 2.19 to 4.80 quetzales a bottle (119 percent); a liter of milk, from 1.20 to 2.20 quetzales (up 83 percent); tomato paste, from 0.75 to 3.00 quetzales (300 percent); a pound of sugar, from 0.45 to 0.95 quetzales; green vegetables, from 5.00 to 12.00 quetzales (up 140 percent); ham, up from 10.00 to 17.00 quetzales a pound (up 70 percent); a ball of soap, up from 0.50 to 1.50 quetzales (200 percent); chicken, from 4.00 to 10.00 quetzales for a package of breast meat.

Between January and May food has increased by more than 50 percent. If we add to that the fact that the majority of families who rent their houses spend, at times, 50 percent more than their total income and that items such as clothing and shoes have also experienced considerable increases, we conclude that the figures issued by the ministers of economy and finance, as well as the alleged stability of the quetzal, are enormous lies. For in view of present prices it is appropriate to conclude that: first, the cumulative inflation over these four months is in the order of about 60 percent. That means that the much feared hyperinflation may take place in this country in 1991. Secondly, there is no stability in the exchange rate, since inflation has practically devalued the quetzal to a considerable extent.

Where Are We Going?

Therefore, we have the following facts to consider:

- (1) The record figure of reserves does not really exist, which means greater vulnerability for the quetzal;
- (2) The bonds are not only inflationary but also are not going to lead to greater dynamism in the economy. Therefore, the money which they bring in is not going to be significantly used for investment;
- (3) The payment of interest and the repayment of capital on the sight drafts may have an avalanche effect in which the rate of exchange for the dollar will shoot up. Consequently, it will reduce drastically the purchasing power of the people who are paid in quetzales;
- (4) Inflation, far from being halted, has been increasing day by day.

From the foregoing it is evidently possible that our economy and finances are being manipulated to favor shares subject to economic and monetary speculation. This favors a certain sector. That is proved by the fact that prices went up when the dollar was declining. This means that some people anticipated that this decline was artificial and intentionally provoked and that over the short term it will turn into new increases in prices. This led them to accumulate more quetzales to buy cheap dollars. Therefore, the situation is highly dangerous. The bonds are going to stimulate inflation and force the issuance of currency having no backing. The sight drafts will lead to a further decline in the quetzal and consequently, to driving up prices.

The reality is that our foreign debt situation, far from improving, has worsened. All of this has happened as the result of a presidential decision to turn over the management of the economy and national finance to a very small group of businessmen. They have applied monetarist policies whose social cost is barely beginning to be felt by the people. In the first four months of this government's term of office real salaries have declined drastically. However, the worst is yet to come. Salva, how expensive what you know is going to cost us!

Honduras

Rebels Explain Reason for UN Offices Attack

PA2606023691 San Pedro Sula LA PRENSA in Spanish 25 Jun 91 p 2

[Text] Tegucigalpa—It has been reported that the problem between Israel and the Palestinians in the Middle East might have been the reason why an urban cell of the self-styled Morazanist Patriotic Front of National Liberation attacked the installations of the UN Observer Group in Central America (ONUCA) on the night of 23 June.

In a communique, the "Roger Gonzalez" Commando Unit claimed responsibility for the attack which sought to "express its rejection of the United Nation's servile and submissive attitude toward U.S. imperialism's hegemonic foreign policy, which has turned it into a political instrument for the U.S. objectives of domination and expansionism in the world." It stated that the United States "uses its (the UN's) extensive structure as a facade for the CIA's covert operations."

"In light of this, the United Nations has passed from being an organization that defends peace and has become an organization that advocates wars and attacks throughout the world, degenerating the objectives for which it was created and totally losing the reason for its existence," the communique added.

"With our action, we are demanding that the United Nations resolve the Israeli-Palestinian problem with the same procedure it used to resolve the Iraq-Kuwait conflict. Only in this way can the United Nations show that its actions are fair and impartial. In this way it might regain the trust of the Third World peoples," the communique signed by the general command of the Honduran insurgents stated.

Meanwhile, the police officially confirmed yesterday that the initial investigations indicate that two men on a motorcycle were the ones who fired an RPG-2 at the

ONUCA building in Tegucigalpa, hitting one of the walls and destroying four windows but causing no casualties. The action occurred at the ONUCA offices located in the Sonisa building, where the Banco de Atlantida computer center is located, in front of the Las Colinas neighborhood, near Miraflores Boulevard.

An official communique issued by ONUCA confirmed the attack, adding that the windows damaged by the explosion are located near the ONUCA's medical aid section. It said it is unaware of the identity of those responsible for the action or the motives.

Nicaragua

Officials 'Could Be Tried' for Law Noncompliance

PA2606020491 Managua BARRICADA in Spanish 23 Jun 91 pp 1, 12

[Article by Pablo E. Barreto]

[Text] Monica Baltodano, a Sandinist councilperson from Managua, said yesterday that capital city Mayor Arnoldo Aleman and all councilmen belonging to the UNO [National Opposition Union] could be tried for contempt of Laws 85 and 86 because they have refused to release deeds to tens of thousands of settlers to whom plots of land and houses were transferred.

Under Law 86, tens of thousands of people received lots (?assigned) by the government, autonomous institutions, and municipal governments, Baltodano said.

However, Mayor Arnoldo Aleman has ignored Laws 85 and 86 because, he says, "they are Sandinist laws." He claims that city hall is not empowered to extend deeds to residents of neighborhoods under government control, progressive developments, or consolidated low-income areas.

The Sandinist councilperson said: "Law 85 specifies that the authorities of the Attorney General's Office, Bavinic, [Nicaraguan Housing Bank], the National Financial System, and municipal governments are obliged to provide, free of charge, deeds and registrations to those benefiting from the two laws."

Dr. Adrian Meza Castellanos, attorney of the Community Movement, maintains that the two laws are to be enforced immediately and are binding on municipal and other government authorities. "To fail to comply with them is to be in contempt of the law. Officials who violate them can well be tried, because they are harming thousands of people with their attitude, in Managua, for example," Meza Castellanos said.

He added: "These two laws are in strict agreement with the spirit of Article 94 of the Constitution, which states that all Nicaraguans have the right to decent housing and the state should provide it."

Meanwhile, as of 1000 yesterday, 9,000 heads of household had lined up in front of the city hall, which is now under occupation, to register their lots and houses and demand the corresponding deeds. People continued to arrive throughout the day. Esmeralda Davila, who had also come to register her house, said: "This demonstrates that the deed grants a sense of security to the owners of lots."

Yesterday, talks remained suspended, "because neither Mayor Aleman nor the UNO councilmen have summoned the Commission of Settlers to continue negotiations," Monica Baltodano said. The Sandinist councilperson said she hopes Aleman and the councilmen will act in conformity with the aforementioned laws, "because otherwise, we will take this matter to higher levels of the government, in view of the refusal to extend deeds to many thousands of residents in the capital."

Mario Ordonez, a Managua neighborhood leader, said: "As long as there are no negot ations and no readiness to release the deeds, we will extend indefinitely both the occupation of the city hall and the registration of settlers demanding their deeds."

"I did not realize that there would be so many people demanding their deeds," said Petrona del Socorro Alvarado Ortiz as she was registering her lot in the Rene Polanco neighborhood. "I am demanding my deed, because the lot is mine and I want to be sure of at least a little piece of land that I can leave for my four children," Petrona del Socorro said.

Pablo Antonio Ibarra, also from Rene Polanco neighborhood, said: I do not understand why they are withholding the deeds that belong to us. The lots are ours; we have lived there for several years."

"I am demanding a deed to be certain of the ownership of my lot, which is my five children's only inheritance," Ibarra said.

Panama

Endara Rejects Call for Referendum, Poll Results

PA2506154091 Panama City Circuito RPC Television in Spanish 1730 GMT 24 Jun 91

[Interview with President Guillermo Endara by unidentified reporters; place and date not given—recorded]

[Text] [Endara] Those who propose a referendum are totally opposed to a democracy. Constitutional periods must be established after a country gets rid of a dictatorial system and establishes a democracy. If we want to strengthen and continue our democratic experiment, we will have to heed the Civic Crusade's proposals. I do not believe that this is the issue. We must strive to establish periods of constitutional governments chosen by the people. There is no other democratic solution here. We must complete the constitutional period which ends in

1994, and new elections will be held. They must be free and democratic elections like the ones I will offer to the Panamanian people.

[Reporter] There is overall displeasure in the country.

[Endara] I do not believe so. I believe that the people, in general, are prepared to struggle for their Panama, their democracy, and their progress.

[Endara] Mr. President, a poll conducted by Dietrich and Neira reveals a high level of government corruption. What is your opinion about this?

[Endara] No, no. The poll has not revealed a high level of corruption. According to the newspapers—I cannot vouch for this—the poll has revealed that a high percentage of persons believe this situation prevails. However, I assure you that this government is essentially honest, and this has been proven by all the officials—from the president down. It has a comptroller who really controls public expenses.

[Reporter] Would you be willing to endorse the dissolution of the Legislative Assembly, given that this has been proposed, too?

[Endara] I fully disagree with this. I think it would be the deadliest step that could be taken against Panamanian democracy. The Assembly members were chosen by the people in free elections and the Assembly has a mandate until 1994—and it will remain until then.

Linares, Hinton To Discuss Base Force Reduction

PA2506202491 Panama City EL PANAMA AMERICA in Spanish 25 Jun 91 p 2-A

[Report by Maribel del C. Saldana O.]

[Text] Foreign Minister Julio Linares will meet this week with U.S. Ambassador Deane Hinton to discuss the thousands of Panamanians who will be left jobless when the military bases are closed in fulfillment of the Torrijos-Carter treaties.

Linares said that he will talk to the ambassador because the dismissal en masse of Panamanians who work on the military bases will intensify Panama's current unemployment problem.

Linares added that "this government will not extend the existence of any military base" because "we cannot make the bases' existence contingent upon the 6,000 jobs that they provide."

Dr. Linares said that Panama is experiencing a very difficult economic situation, and it will be distressing for the 135,000 unemployed workers in Panama to be joined by thousands of Panamanians who work in the canal area.

The employees who work on the military bases have asked the national government to suspend the dismissals until 1995 because in addition to the 6,000 employees, there are thousands of Panamanians who indirectly depend on the services that U.S. personnel provide.

The canal area employees add that Panama is not prepared at present—nor will it be in the year 2,000—to assume the efficient management of the canal or provide security for it, thereby giving the United States an excuse to invade our country by noting Panama's failure to provide security and its violation of the neutrality pact.

To this, Foreign Minister Linares has responded that it is a very broad topic that requires a great deal of time, but it is clear that there are many unemployed workers in Panama.

Most Schools Resume Classes, Others Investigated

PA2506215691 Panama City Circuito RPC Television in Spanish 2300 GMT 24 Jun 91

[Text] Thousands of students returned to classes at government high schools in Panama City and San Miguelito this morning after a temporary suspension of classes decreed by the Education Ministry on 13 June following three consecutive days of violent student protests. Not among the schools reopened were the National Institute, Jose Antonio Remon Cantera school, Arts and Crafts school, and the private schools Tomas Alva Edison and Tomas Gabriel Duque, which are being investigated for their direct involvement in the recent disturbances.

Most of the students arrived at their schools accompanied by parents, who had to sign pledges guaranteeing that their children will not participate in violent or vandalistic activities.

During a tour of several state-run schools in Panama City, RPC's reporting team noted the normalcy with which classes were being held. However, while the majority of schools resumed classes, protests were staged at others. Professors at the Remon Cantera school demanded that the Education Ministry reopen the school because time is being lost to the detriment of students, professors, and parents.

The Education Ministry has not made any decision regarding the reopening of the schools that are still closed, nor has it referred to the punishment of students who were involved in the violent actions. The Education Ministry is also expected to state whether or not this seven-day interruption of classes will alter the school calendar or if there will be no mid-year vacations.

Alarcon Demands Sanctions

PA2506221891 Panama City Circuito RPC Television in Spanish 2300 GMT 24 Jun 91

[Text] The reopening of the schools that remain closed depends on the adoption of sanctions against the students who carried out criminal activities, says Education Minister Marcos Alarcon.

[Begin Alarcon recording] To the extent that this is understood by the members of these schools' faculties, I will have no difficulty in reopening those schools. I will evaluate and possibly reopen each of the schools that

remain closed but this, obviously, depends on their behavior from this point onward.

The ministry, however, cannot applaud or accept impunity. I believe that we should be responsible for our actions as individuals or as groups, and we must accept the consequences. [end recording]

Alarcon referred to the protests that are still being carried out by professors at the schools that are closed and their demands that the schools be reopened.

[Begin Alarcon recording] Two opposing positions have been manifested. There are those who support impunity, and then there are those of us who defend the enforcement of a de jure system in Panama. A de jure system establishes a series of individual and collective guarantees. I am respectful of those guarantees. A de jure system also defines duties and establishes responsibilities. This position is not an effort on the ministry's part to evade the situation, it is a position that aspires to the permanent definition of centers of education which should not, by any means, be centers of political formation or promotion. The education centers' legitimate role is to shape students, basically in academics. [end recording]

Parents, Students Confront Alarcon

PA2606033491 Panama City Circuito RPC Television in Spanish 2300 GMT 24 Jun 91

[Text] Parents and students of the National Institute secondary school marched this morning to the Education Ministry to demand that Minister Marco Alarcon order the immediate reopening of the school. They want the reopening to take place without implementation of the disciplinary measures imposed on students who participated in the protests against the increase in the price of meat and the amendments to the Social Security Fund charter. When the group entered the minister's office, top ranking officials were attending a mass to mark the Education Ministry's 50th anniversary. Afterward, the director of the National Secondary Level Education and ministry advisers met with the group. They maintained their stance regarding the measures that had been adopted.

[Begin National Education Director Bertilo Mejia recording] The Education Ministry reiterates that it must play the role that befits it. We must rescue the morals of all Panamanians. Students whose schools did not reopen today and whose suspensions were reaffirmed, must realize that their schools will not reopen as long as the measures to enforce the school's charter are not implemented. [end recording]

Minister Alarcon, who did not attend the meeting because he had to keep a prior commitment with President Guillermo Endara, was intercepted by students and parents as he was about to leave the building.

[Begin recording] [Alarcon] The national education director is an authority. I am not going to listen to you because we must do what is right. There are other authorities here. [crowd applauds and chants indistinct slogans] I am going to attend function at . ... [interrupted by crowd applauding and chanting] I named the officials who are to meet with you. [crowd chants indistinct slogans]

[Unidentified woman] We wanted to meet with you, because you are the problem. [end recording]

Luckily, the verbal spat between demonstrators and Minister Alarcon did not lead to a major incident. After that, parents and students returned to the National Institute.

U.S. Banks Suspected of Money Laundering

PA2506224791 Panama City LA PRENSA in Spanish 25 Jun 91 p 1A

[Report by Vilma E. Figueroa B.]

[Text] An unidentified judicial source has disclosed to LA PRENSA that the Attorney General's Office is investigating the source of $80 million, allegedly the product of drug money laundering in U.S. banks.

The source refused to give the names of the banks involved so as not to hamper the investigations, although he did say that there is evidence and proceedings that will be used by the Attorney General's Office.

The case, said the source, was put in the hands of the Office's Secretariat of Drugs, headed by Ariel Alvarado, after Customs Director Rodrigo Arosemena filed formal charges at this investigative institution. According to the source, Arosemena carried out a raid, together with Customs personnel, on a Hotel California room where counterfeit money and documents linking U.S. banks to money laundering were seized.

The source added that the operation led to the arrest of Colombian nationals Jorge Isaac Rodriguez, Alfonso and Alba Angelica Rivera Roldan, and Panamanian Mateo Enriquez Ardines, who allegedly are involved in attempting to introduce $23,000 in counterfeit bills into the national territory.

It has been reported that in the documents found during the raid, former Panamanian Consul to the Netherlands Raul Eskildsen's name showed up, linking him to the alleged money laundering along with the Colombian gang.

The source noted that Julio Aleman, Eskildsen's lawyer, is engaged in procedures to prove that there is nothing illegal in his client's operations and that these business transactions only involve the purchase and sale of emeralds.

Civic Leader Calls For Plebiscite on Government

PA2506234391 Panama City LA PRENSA in Spanish 24 Jun 91 p 1

[Report by Zoila Rodriguez Jovane]

[Text] Civic Crusade Coordinator Alberto Conte said that the cost of a referendum to ratify the constitutional abolishment of the Army, "on which most Panamanians

agree," must be justified with a plebiscite to validate President Endara and the Legislative Assembly.

Conte said that if the government has made the "ridiculous" decision of spending $2.7 million to corroborate what 90 percent of Panamanians want because a Constitution "drafted by the dictatorship" says so, then it should also find out if the people want Endara to end his term or if a Constituent Assembly should replace the Legislative Assembly.

Conte, whose candidacy for legislator was challenged by the military regime, said that if the government tried to find out the reasons for the people's discontent and present real alternatives, it would not have to resort to "paranoiac" ideas such as coup d'etats, conspiracies, espionage, and plots.

"Plebiscites are clear proof of democracy," he stressed.

He noted that the proposed amendments are "ambiguous" because they do not include sentences for those who try to destabilize the democratic system. "Anyone can seek refuge at an embassy and obtain a safe-conduct claiming his crimes are political."

Conte stressed the need for a national agreement based on the people's will, which is the real thermometer of a democracy, to prevent the escalation of social demands resulting from the dictatorship. "It would seem that in view of the vacuum of power, the only solution would be another coup," Conte said.

He added that after the invasion, a transitory government should have been installed during a period of adjustment from the dictatorship to a democracy, which would have prevented the faults caused by "politicization" and the regressive consequences of partisan revengefulness.

"A plebiscite should have been called to determine if the people wanted to ratify the electoral results or if they wanted partial or general elections," Conte said, coinciding with what U.S. Vice President Dan Quayle said during his visit to Panama in March 1990.

"It was not done because there were too many political interests," Conte noted. He was not convinced about the ratification of the presidential slate and expressed doubts about the reelection of many legislators whose seats were obtained based on controversial figures.

Conte criticized the fact that although the promoters of strikes, marches, and protests that harm our international image are the same union leaders and leftists who supported deposed General Noriega and led the country to chaos, the current government has not fired them.

"We lost the opportunity to clean all the filth we had in Panama, to make justice, and draft a government plan. This has not been done because we have been too busy with political confrontations," he stressed.

Conte said that the new "civilian dictatorship" shows that "the situation has not changed" after 21 years of arbitrariness under the military regime.

As an example, he mentioned the Civic Crusade's frustrated mediation in the political crisis that ended with the expulsion of the Christian Democratic Party [PDC] from the government on 8 April. He noted that the Arnulfists "took advantage" of the situation to take over all the political positions.

Conte noted as a historical coincidence that nations that have successfully replaced tyrannic regimes have installed "provisional governments."

He described as "disappointing" the fact that the PDC adopted a "plaintive" attitude by confronting forces "not necessarily for the people's benefit."

He stressed the need to retake actions against discontent and to prevent groups opposed to democratic ideals from usurping the rights of citizens who earned the right to protest at the risk of their own lives.

He said that there are formulas for resolving the crisis, but that they are not being adopted because our government leaders want to please everybody "and as leaders they must try to please the majority of people and disappoint as few as possible."

"New leaders are created through direct participation, based on charismatic characteristics of studious and honest men dedicated to their country. However, we were idle, and did nothing in that field for 20 years."

Conte criticized the eagerness with which some politicians try to get publicity, by "taking advantage of any opportunity they have to make public statements," and then blame journalists for their own mistakes.

Butchers Begin Strike To Protest Price Increase

PA2506144291 Panama City Radio KW Continente in Spanish 1200 GMT 25 Jun 91

[Text] Panama City butchers began a strike to protest the increase in meat prices because, according to them, the measure has caused a significant drop in their sales.

ORP [Price Regulation Office] Secretary General Ezequiel Rodriguez has said that consumer rejection of the new meat price will only last a few days—and then they will accept the increase and buy the product again.

A large number of butchers from the Calidonia and San Felipe marketplaces supported the measures but others continue to sell their product to consumers. According to the butchers participating in the strike, sales drastically dropped as consumers refused to pay the 25 cent government-imposed increase for choice-cut meat—now priced at $1.80 per pound.

Argentina

Menem Addresses Nuclear Institute Graduates

PY2606001391 Buenos Aires TELAM in Spanish 0032 GMT 25 Jun 91

[Text] Buenos Aires, 24 Jun (TELAM)—President Carlos Menem today stated that "the story will be quite different" in the Argentine scientific and technological development project when the country achieves the "resources needed to intensify research." He said that the Argentine Government "will focus its attention more than ever on preserving and promoting research in those areas."

During a ceremony this afternoon at the Bariloche Atomic Center auditorium, Menem presented diplomas to 10 graduating nuclear engineers of the Balseiro Institute. He promised to reevaluate the Argentine techno-nuclear capacity and to strengthen the nuclear sector, "which is the essential driving force of our economic transformation."

Menem promised: "The resources with which to intensify activities in the research, science, and technology sectors will come," adding: "We are giving priority attention to this because we are now living in a different world from that of a few years ago. We are living in a world of knowledge. Those communities that do not understand this will remain stagnant and will simply disappear," he said.

Addressing Manuel Mondino, chairman of the National Commission for Atomic Energy [CNEA], Menem offered his "full support," and assured him: "You have the full support of the president of the nation, as a friend, as a fellow worker, and as a brother of a cause and struggle," urging him to "keep up the good work."

The president added: "I have come to this ceremony to reaffirm the confidence in an Argentina capable of modernizing and becoming an industrial nation at the best technological level possible. It is said that genius means endless patience, and it is for this reason that I am extending to you my warmest loyalty and support, and I promise that the national government will not spare any efforts to achieve this."

Menem said that our country "is and will continue to be the birthplace of outstanding figures in the field of creativity and scientific research." He reaffirmed the government's conviction that "all necessary transformations will be carried out" so that "our factories and universities will work side by side." He called it a "great national project to continue to provide opportunities for thousands of young people who, like you, are graduating today and who want to fulfill their ideals and those of their country."

After recalling that the CNEA was created "thanks to the efforts and foresight of General Peron," he said that, as on many other occasions, all this is due to the "vision in his technological policies."

"We must hasten toward a strong interaction between university students and the production sector. This is the only way to achieve new technology which will yield new tangible fruits for all Argentines," he said.

President Menem observed: "I am aware of the essential role played by nuclear technology in the energy field in our country, as well as the contribution of nuclear plants in producing electricity. I am aware of the importance of the Argentine techno-nuclear capacity and of the international prestige achieved through it."

He said that his government policy "is more than ever focusing its attention on preserving and promoting these values in the same manner as we are strengthening this sector because it represents the essential driving force for our economic transformation."

Duhalde Plans To Resign After 10 Dec

PY2506162891 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1052 GMT 25 Jun 91

[Excerpt] Buenos Aires, 25 Jun (NA)—Eduardo Duhalde, the nation's vice president who is running in the Justicialist Party primaries for nomination as the Buenos Aires Province gubernatorial candidate, has said that, whether he wins or loses the primaries, he will remain in his post until 10 December. After that date, he will tender his resignation "for consideration by the legislative assembly."

During a television program, Duhalde said that Carlos Brown, his opponent in the Justicialist primaries, "is a good leader," but Duhalde made it clear that "Brown has failed to understand that the time when trade union leaders put up money and made Justicialism march is over now." [passage omitted]

Bolivia

Reportage on Cochabamba Coca Growers March

Protest March Begins

PY2506154491 La Paz Radio Fides Network in Spanish 1100 GMT 25 Jun 91

[Excerpt] Cochabamba—Almost 700 coca growers from the tropical areas of Cochabamba began what they call a march for national sovereignty and dignity from Pulo Bulo at 1100 yesterday. The first stage of the march will end on 27 June, 90 km away in Villa Tunari. The marchers will stage a huge rally there to pay homage to fellow peasants who died for the cause in 1987. After the rally, marchers will continue their demonstration march toward La Paz where they will make their voices of protest heard and where they will present their demands to the government. These demands include a decision not to militarize coca producing areas and to promote alternative development projects.

The committee coordinating the activities of the five federations of Cochabamba's tropical areas sent a message to the president of the Republic and the nation in

view of the lack of government sensitivity to their situation. The message points out that the coca producers in the Cochabamba tropical area decided to begin their march for sovereignty and dignity on 24 June, and stress the risks of installing a military base in the country [as heard] and of broadening the participation of the Armed Forces in the fight against drug trafficking. The note also protests against the militarization of coca producing areas, and emphasizes the risk involved in the growing participation of U.S. military personnel and advisers who seek to consolidate their presence in the country under the pretext of fighting drug traffickers.

The note rejects abuses by U.S. DEA agents, calls for an urgent implementation of multilateral policies to prevent bilateral impositions by the United States in the Andean countries, and asks the government to seek deeper relations with the European and international communities.

We repeat: Nearly 700 coca growers have begun a march for sovereignty and dignity. It is estimated that they will be in La Paz in 30 days. [passage omitted]

Interior Minister 'Concerned'

PY2506142491 La Paz Television Boliviana Network in Spanish 0200 GMT 25 Jun 91

[Excerpts] A complete report on the involvement of policemen in drug trafficking has not yet been released. In addition, the government is still concerned about the situation of peasant coca growers. Interior Minister Carlos Saavedra did not address the issue, because there is no official report on the subject. [passage omitted]

The minister referred to the announced march by coca growers:

[Begin recording] I am concerned about the first reports I have received on the subject. First, some nongovernmental organizations are reportedly financing this march. If this is the case, those organizations are violating the rules under which they were authorized to operate in Bolivia. That is the first point about which I am concerned.

Second, this situation has already been analyzed with the peasant sector. I consequently wonder: What about the position of the General Trade Union Confederation of Peasant Workers, which announced the suspension of all coercive measures—such as blockades, strikes, and marches— to begin analyzing the situation of peasants with a possibility of success? I also wonder about the position of the Bolivian Labor Federation now that all agreements are being implemented as scheduled.

Therefore, I believe this march should be more carefully analyzed; whether it is being sponsored—I would not say by other mechanisms—but by other motives. I am concerned about this. We will carefully analyze these motives and if nongovernmental organizations are involved, we will notify the countries that are sponsoring those organizations.

We will also see whether this is being encouraged by opposition sectors whose only objective is to continue impairing the government's image, which is positive due to its efforts to solve social problems.

If there is another factor—and you know what I am talking about—the situation will be more serious, and we will do everything permitted by the law. Obviously, this factor is drug trafficking. [end recording]

Information Minister: March 'Illegal'

PY2506181591 La Paz Radio Fides Network in Spanish 1100 GMT 25 Jun 91

[Interview with Information Minister Mario Rueda Pena by Isaac Gutierrez Alarcon in La Paz—live]

[Text] [Gutierrez] What will the government do about the 700 coca growers who are marching in La Paz?

[Rueda Pena] I am absolutely sure that the peasants organizing this small march will listen to me. I ask them to listen to me and to reverse their decision. Their decision violates the law. They are heading a protest in which the people are being incited to disobey and oppose the implementation of a law that was approved by Parliament and promulgated by the executive branch. I am talking about Law 1008 on the struggle against drug trafficking.

This law was not promulgated by this administration. It was approved by the government of Victor Paz Estenssoro. Article 135 of Law 1008 authorizes the government to solicit the help of the Armed Forces and the police in the struggle against drug trafficking.

When someone incites others to prevent the implementation of a law, he commits an act of sedition, according to Article 138 of the Penal Code. The peasant leaders who are heading this small march are committing an act of sedition. The march is therefore illegal and the government of President Jaime Paz Zamora will treat it accordingly.

It would be different if the march were legal, like the recent march by indigenous people. That march was protected by the right to petition which is included in the Constitution. This case is different. There is no reason for this march. I have reiterated many times as the official spokesman of the government that the eventual and limited participation of some Army units will not harm coca producers. They can rest assured that the military units will not act against them, their families, their coca plantations, or their land. Those are the words of the president of the Republic and the government. This is a governmental commitment that we will honor.

This march is an act of sedition, because it calls on people to disobey established laws. According to the Constitution, laws are mandatory and those who oppose their implementation commit acts of sedition. The government will not tolerate this. Those responsible for instigating this march have already violated the law and will be prosecuted.

[Gutierrez] U.S. Ambassador Robert Gelbard said in Santa Cruz yesterday that there is an extradition agreement among the Governments of Argentina, Bolivia, and the United States. The ambassador was concerned about the possible extradition to La Paz of two Bolivian citizens who were arrested in Argentina. What can you tell us about that agreement?

[Rueda Pena] I am not aware of such an agreement but I can tell you that the arrest of those two Bolivian drug traffickers paves the way for an investigation that might clarify the Huanchaca case, which involves the death of a prominent scientist from Santa Cruz, Noel Kempff Mercado. These two detainees are in the hands of Argentine authorities. I do not know if the United States will seek to extradite them to the United States or what the Argentine authorities will decide. In any case, they are in good hands. We could begin investigating what happened in Huanchaca. These detainees could identify the real culprits, those who actually committed the crime and those who planned it. The police suspect that those two planned the killing.

[Gutierrez] What can you tell us about Ambassador Gelbard's remarks that there are some extraditables in Bolivia and that he is waiting for a extradition treaty to be signed between the United States and Bolivia?

[Rueda Pena] Drug trafficking has already been defined as an international crime because it affects not only the country in which the trafficking takes place—in this case Bolivia—but also the other nations where cocaine destroys young people and other social sectors. This crime is international and its effects are international. The United States Government has already used this argument to get the Colombian Government to extradite many criminals. The Colombian Government has now decided to end this practice in view of the internal situation and the need to conclude a political and military peace agreement.

In Bolivia, we have a clear position on this issue which has been well defined by the president of the Republic. We have two legal instruments through which to handle extraditions. We have the 1900 Treaty with the United States and the Vienna Convention. The president, and indeed all of us, think that these two instruments are sufficient with which to deal with any U.S. extradition petition, particularly in the case of an international crime that involves U.S. legal interests.

Chile

Pinochet, Army Ordnance Chairman Discuss Rocket

PY2506222991 Santiago Radio Chilena Network in Spanish 1700 GMT 25 Jun 91

[Passages within quotation marks are recorded]

[Text] Brigadier General Fernando Hormazabal, chairman of the Famae [Army Ordnance] Executive Board, has denied that the country has embarked on an arms race through its involvement with the Lightning rocket. The officer said this in reply to remarks made during a BBC interview with General Augusto Pinochet. It was stated that the rocket would be mass produced and that it had been successfully tested during the Persian Gulf war.

[Hormazabal] "There is a technical timetable, and the last stage that has yet to be completed (?deals with the rocket flight). The truth is that I do not know why there is so much interest on this rocket which is an absolutely conventional weapon that has nothing special. I believe there has been too much speculation on an alleged arms buildup policy. Chile has never embarked on such a policy, because such a policy demands the political will, the backing of an institutional doctrine, and above all the financial support of a budget. These three conditions have not yet been met."

At noon today, the Famae Executive Board awarded—for the first time—the medal of the Order of Merit to General Augusto Pinochet, the Army commander in chief, for his support for this unit.

Gen. Hormazabal said that the medal was awarded in recognition of the valuable services that Pinochet has rendered to Famae, for his support to the industrial sector, and for his spirit of cooperation and sacrifice.

Asked about the current stage of development of the Lightning rocket, Hormazabal explained that it has already been successfully tested in Great Britain.

Concerning the BBC report that Chile can build 10 of these rockets per day, he said that he had no information on that subject. He said that Famae is not planning to build a long-range missile.

[Hormazabal] "The institution is not planning to do that. This is an absolutely conventional and strictly defensive weapon that is exactly the same as an artillery cannon [as heard]."

Asked to militarily compare Chile with neighboring countries, he replied: Chile is doing very well, as it has always done.

Concerning Famae's ability to build the launch platforms, and considering that the associated cost will have to be defrayed, Hormazabal said that the matter is still being studied.

The BBC this morning reported that Gen. Pinochet has spoken about the controversial rocket project. We have a report that was provided to us by the Santiago University Radio station.

[Santiago University Radio announcer] "The project is under the control of Gen. Pinochet, the former Chilean dictator who governed Chile between 1973 and March 1990.

Gen. Pinochet's private visit to Great Britain elicited strong protests among British members of parliament and Chilean exiles.

In the BBC report, Pinochet denied that he headed a repressive regime. He also denied human rights violation charges. He justified the installation of arms factories in his country."

[Pinochet] "We found that the United States closed its doors on us and we practically had nowhere where we could buy weapons. Our country was totally disarmed. Therefore, the need arose to install an organization that could produce weapons."

[Santiago University Radio announcer] "Gen. Pinochet also mentioned the importance of foreign technology to the Chilean arms industry."

[Pinochet] "As I told you a few minutes ago, it is very important for us to have access to foreign technology, because many times there is more progress in other countries. Modern industries are testing their own products, forever seeking to incorporate new technology and thus improve their production."

[Santiago University Radio announcer] "The Chilean general specifically referred to the Lightning rocket project and to the wish to implement other similar projects."

[Pinochet] "I can only tell you about the Lightning project, which I have studied and with which I am familiar. (?I would say that) the first stage of this project is very elementary. This stage is finished or nearly finished. The rocket should be tested, in the near future, here in Chile.

"I authorized the second stage of this project when I visited Great Britain, so that it may be completed. We are actually hoping to promote the growth of our industry through the implementation of other projects. Yet, we do not harbor major ambitions because the country does not have the capacity to embark on something like that. We might implement another project, but we cannot think of many projects. Perhaps one, two, or three other projects in the future."

Communist Party Leadership Elected 15 June

PY2506235391 Santiago EL MERCURIO in Spanish 16 Jun 91 p C2

[Summary] The leadership of the Communist Party of Chile was chosen by the 26 national counselors before a public notary on 15 June. Volodia Teitelboim, who is a member of the Political Commission, was elected president of the party. Gladys Marin was elected secretary, and Lautaro Carmona as treasurer. The directors are Mireya Baltra, Jose Sanfuentes, and Jorge Insunza. The Court of Honor are: Manuel Cantero, president; Luis Corvalan, vice president; Americo Zorrilla, secretary; and Oscar Azocar, assistant secretary.

Popular Socialist Union Joins Socialist Party

PY2506214791 Santiago LA TERCERA DE LA HORA in Spanish 7 Jun 91 p 11

[From the "Political Summary" column]

[Text] The Popular Socialist Union has joined the Socialist Party [PS]. The two parties promised to rebuild democracy and to strengthen the PS.

The ceremony was held at the PS headquarters. It was headed by Jorge Arrate and Ramon Silva Ulloa.

National Treasury Reports Peso Surplus in 1990

PY2506200191 Santiago Television Nacional de Chile Network in Spanish 0000 GMT 25 Jun 91

[Summary] National Treasurer General Humberto Vega has reported that thanks to last year's austere approach to public expenditures, the national treasury obtained a 95.4 billion pesos surplus in 1990 despite a 13 percent drop in revenues. He emphasized that savings were not made at the expense of social welfare or other programs aimed at the most needy sectors of the population.

Colombia

Update on Government, Rebel Talks in Caracas

Dialogue Said Confusing

PA2506202091 Bogota Radio Cadena Nacional in Spanish 1200 GMT 25 Jun 91

[Report from Caracas by correspondent Francisco Tulande]

[Text] Good morning to all my fellow Radio Cadena Nacional [RCN] workers in Bogota. We are somewhat confused with the sequence of the government-guerrilla groups' dialogue in recent hours. The outline of what was an agreement in principle on the verification issue was perceived on Monday night. The agreement dealt with the regional inspectorships, defining the creation of seven-member committees; a national inspectorship, including commissions comprised of representatives from the government, the guerrilla groups, and the so-called Commission of Notables; and we had mentioned the problems concerning an international inspectorship.

Well, a meeting was scheduled for 2000 local time, to define the basic points of a document that would be issued here in a matter of minutes. Nevertheless, a series of angry incidents occurred during the meeting and it was suspended 40 minutes later. The guerrilla representatives said that there would be no agreement, because they accused the government of reneging concerning the international inspectorship.

The guerrilla spokesmen said they had reached an agreement with the government to create an international inspectorship once any of the 10 points in the agenda

was approved. However, they claim, the government tried to pull a fast one when it was time to sign the document. The guerrillas said that the government's redactor, Tomas Concha and their redactor, Diego Ruiz of the Popular Liberation Army, had introduced a provision that the famous international inspectorship would only operate when a cease-fire agreement was reached.

The guerrilla groups said: This is not what we had agreed. The government representatives said: It is elemental to think that an inspectorship can only operate when there is a major commitment, like the one dealing with the cease-fire. The result was that the guerrilla delegates left the meeting and it was agreed that a new meeting would be held today.

A new meeting is about to start and it has been announced that a statement will be issued at 1100, whether the general terms of the document are confirmed or not. According to the information gathered by RCN, it was a two-page document. This is how things stand now, and there is some confusion concerning the decision about the international inspectorships and verification. You may recall that it was rejected altogether and that a cease-fire will be reached in this round of talks; or that the guerrilla representatives will be allowed to address the National Constituent Assembly.

Talks End; Document Issued

PA2506192091 Bogota Inravision Television Cadena 1 in Spanish 1732 GMT 25 Jun 91

[Text] The second round of peace talks between the goverment and the Simon Bolivar National Guerrilla Coordinating Board [CNGSB] in Caracas, Venezuela ended with some agreements and the decision to resume the talks on 15 July.

For security reasons, the spokesmen for the Revolutionary Armed Forces of Colombia and the Army of National Liberation will remain in Caracas, while the government representatives will return to Bogota today.

The participation of some of the guerrilla leaders in the Constituent Assembly has not yet been defined.

The government and the CNGSB signed an eight-point document which will be the basis for the 15 July talks:

1. Five regional commissions of no more than seven members will be created for the cease-fire.
2. A great Peace Commission will be created.
3. The guerrillas and the government will have their own mechanisms within the regional commissions.
4. The government will offer resources and guarantees so that the regional commissions can operate.
5. It is reaffirmed that the objectives of the process are to eradicate violence as well as the social causes of violence.
6. The delegations will meet again on 15 July in Caracas.
7. There will be an international witness agreed upon by both sides who will attend the next meeting in Caracas.
8. The government offers guarantees to transfer the CNGSB commission to an agreed upon site between 25 June and 15 July.

Government Rejects U.S. Criticism on Escobar

PA2606020791 Mexico City NOTIMEX in Spanish 1831 GMT 25 Jun 91

[Text] Bogota, 25 Jun (NOTIMEX)—A Colombian Government source said here today that the United States would be making a grave mistake if it created the impression that it no longer supports Colombia in its struggle against drug trafficking.

"The U.S. Government is aware that Colombia has exerted itself to the utmost in the struggle and that it has made many sacrifices," an official spokesman stated.

Thomas E. McNamara, U.S. ambassador to Colombia, suggested yesterday that relations between the two countries would deteriorate if justice is not "severely" enforced against Medellin Cartel kingpin Pablo Escobar and the Ochoa brothers. The U.S. diplomat said: "If justice is not strictly enforced, I suppose there will be problems between the Colombian people and the U.S. people, and between the two nations' governments."

According to the government source, "it would be poor tactics on behalf of the United States if it suggests to the world that the solidarity toward a country which has paid a high price in the struggle against drug traffickers no longer exists."

The official spokesman said that Colombian President Cesar Gaviria's policy on drug trafficking continues to be as strong as ever. He added that the drug lords' surrender does not mean the Colombian authorities will lower their guard. He recalled that the National Police have seized 50 tons of cocaine during the first five months of 1991, more than what has been seized in the rest of the world, and it has arrested about 400 persons in connection with that illegal trade. The war is being waged with the same intensity, without discrimination, in the struggle against the Colombian drug cartels, the spokesman added.

According to the source, the government has resolutely launched an operation against both the Cali Cartel, which is led by Gilberto Rodriguez Orejuela, and the organization led by Pablo Escobar Gaviria. Colombia can do without criticism against its policy to subject drug traffickers to justice. It needs the international community's support to continue the struggle, he added.

"The success of the struggle cannot be measured by the amount of Colombian blood that is shed," it was stated by the source when defending the program to strengthen justice and the results attained with the surrender of Escobar and 17 other Colombian drug traffickers.

U.S. Holds 'Double Moral Standard' on Drugs

PA2506221591 Bogota Inravision Television Cadena 1 in Spanish 0126 GMT 23 Jun 1991

[Station commentary by Margarita Vidal, news director and anchorwoman]

[Text] In its 22 June 1991 editorial, THE NEW YORK TIMES joined the ranks of U.S. skeptics who doubt Colombia's capability to seriously try drug trafficker Pablo Escobar Gaviria. According to the newspaper, this incapability would affect President Cesar Gaviria's credibility.

We must say that the United States' double moral standard is still the only yardstick with which the U.S. Government measures the drug traffic problem. The U.S. Government continues to disregard the thousands of Colombian dead, the tons of cocaine seized, and the number of drug trafficking kingpins in prison at present, as if this were only a problem of how Colombia deals with it and as if the United States, the main consumer and in practice the most decisive factor in making this business profitable, had nothing to do with it.

In view of the rainstorm of U.S. media criticism falling on this government, the Colombian people are now wondering just how many kingpins are being held in U.S. prisons, how many tons of cocaine have been confiscated instead of consumed in the United States, and how many dead the United States has contributed in this unequal fight that will not end as long as it does not become a struggle of all countries involved, wtih the United States leading.

Surrender Process at Envigado Jail 'Bogged Down'

PA2606005691 Bogota Inravision Television Cadena 2 in Spanish 0002 GMT 26 Jun 91

[Text] The process of surrender continues to be bogged down at the Envigado jail. The lawyers of the men who have accepted the decrees for narcotraffickers have asked the government for guarantees. They insist that the police continue to carry out operations in the capital of Antioquia Department.

Today should have been a key day for the en masse surrender of new extraditables at the top security jail at Envigado. Something that took place yesterday afternoon seems to have hindered the process. National Police troops detained Luis Anibal Gonzalez Quintero when he was traveling in a vehicle that had been used by his son, Gustavo Gonzalez Franco, to surrender to Colombian justice on 21 June.

President Cesar Gaviria Trujillo himself, Justice Minister Jaime Giraldo Angel, and the attorneys of the national and regional criminal courts requested his release. Immediately, the lawyer responsible for the surrender process ordered the suspension of all surrenders for an indefinite period of time. The officials in charge of the process issued a communique announcing their stand and demanding respect in view of the good faith of the extraditables.

According to sources close to this newscast, several persons related to the surrender process were arrested last week. It has been said that one of these men who was planning to surrender on 21 June has mysteriously disappeared. It is also said that a cousin and the father-in-law of this same person, who is only known as Petronio, were murdered.

Although there is no official confirmation to this effect, the truth is that the surrender process will be at a standstill until there are better guarantees.

Prisoners Protest, Demand Reductions of Sentences

PA2506215391 Bogota Inravision Television Cadena 1 in Spanish 0100 GMT 23 Jun 91

[Passages within quotation marks are recorded]

[Text] The protest by the prisoners in the country's jails started today. The prisoners of the 135 jails are requesting reduction of sentences, no discrimination against common criminals, and for the Constituent Assembly to listen to a description of prison conditions.

[First unidentified prisoner] "How is it possible that Pablo Emilio Escobar Gaviria will be tried in a special way, with a number of guarantees, and sentence reductions? The honorable members of the Constituent Assembly should put their hands to their hearts and think of the common criminals."

During the second day of protests the prisoners of the Modelo jail were more excited than usual. They requested cooperation from their jailmates, handed out manuscripts, demanded the presence of the jail's board of directors, and stated their solidarity with the prisoners who are staging a hunger strike. They did this with a single goal in mind: to ask the National Constituent Assembly to reconsider the decision not to grant a general reduction for the sentences of over 30,000 prisoners in the country.

[Second unidentified prisoner] "Since all Colombian drug traffickers were granted reductions for their sentences, we, the humble prisoners of Colombia, should be taken into consideration and granted a reduction of a third of our sentences without class discrimination."

[Third unidentified prisoner] "Let's not forget that we are humans and have feelings and families. We deserve reduced sentences because, as citizens, laws and human rights also protect us."

The common criminals criticized the government's policy of decrees and the decisions of the Constituent Assembly by saying that the guerrillas and narcoterrorists were granted special benefits, while the full weight of the law is laid on those who have not destabilized the country or carried out terrorist actions.

Government Refuses Ambassador's Resignation

PA2506202591 Bogota Radio Cadena Nacional in Spanish 1211 GMT 25 Jun 91

[Text] Bogota—The Colombian Government has not accepted the resignation of Enrique Parejo Gonzalez, Colombian ambassador to Switzerland. In his reply, Colombian Foreign Minister Luis Fernando Jaramillo Correa told Parejo that Parejo's human and professional attributes are reason enough to reject his resignation. Jaramillo also told Parejo in his letter that the government cannot accept his resignation because Parejo was attacked and seriously injured at one time while he was a government official. His life would be in serious danger if his resignation is accepted.

Finally, Foreign Minister Jaramillo asked Ambassador Parejo to refrain from writing for newspapers because such an activity is incompatible with his diplomatic post.

'Large-Scale' Operation After Police Killed

PA2606025191 Bogota Inravision Television Cadena 2 in Spanish 0000 GMT 26 Jun 91

[Text] Military police elements are currently carrying out a large-scale operation by land and air, after a patrol of the police elite corps was attacked on La Manosa trail in Doradal, Rio Calderas, Antioquia Department. So far, three policemen have reportedly been killed. They are Lieutenant Harold Rubiano, Lieutenant Oscar Diaz, and a policeman by the name of Elber Vasquez Rendon. An unidentified civilian, who had been arrested by the aforementioned policemen and was being trasported in a police car, was wounded.

In addition, eight other policemen and two civilians were also wounded. They were taken to hospitals in Rio Negro, Medellin, and Puerto Triunfo.

It is believed that that this attack was allegedly carried out by the Simon Bolivar National Guerrilla Coordinating Board, but this has not been confirmed. According to reports, cocaine-processing laboratories have frequently been discovered in this area.

At this time, we can see the unedited film that we took as National Police helicopters began the operations to search the area.

An unidentified person, who was wounded, has been arrested. It is estimated that between 20 to 30 people launched this attack on the patrol of the police elite corps from the mountains.

Paraguay

Rodriguez on Reelection, Municipal Elections

PY2606010291 Asuncion ABC COLOR in Spanish 25 Jun 91 p 5

[Excerpts] In an unprecedented move, President General Andres Rodriguez yesterday held a "working breakfast" with all journalists accredited to Government Palace. [passage omitted]

Asked during the conversation if he would run for reelection in 1993, President Rodriguez reiterated that his decision not to run has not changed "up to now."

Answering a question on the complementary municipal elections held on 23 June, and specifically the defeat of the Colorado Party in several localities, the president said: "That is democracy in action." Later, referring to the PLRA [Authentic Radical Liberal Party], he affirmed: "They are winning because the ANR [Republic National Association—Colorado Party] forces are divided." He cited the situation in San Lorenzo, where the ANR ran a candidate, Carlos Ovidio Meyer against another Colorado candidate, Manuel Criscioni who was running as an independent, "splitting the electoral forces." The total for these two Colorados was higher than the total for the winning PLRA candidate Osvaldo Ferras, noted Rodriguez.

Giving his opinion on the Colorado Party's defeat in several localities, the chief of state stated that "new and better ideas are needed, perhaps with the experience of older leaders." [passage omitted]

President Rodriguez emphasized that the Colorado Party has young men in its ranks. He said: "People with new ideas are coming up. I do not mean older leaders should be definitively set aside, but I believe the way should be open to younger people who can perhaps take advantage of the experience of older leaders. The student is sometimes better than the teacher." [passage omitted]

President Rodriguez admitted at one point that he is not sufficiently qualified for a position with as great a responsibility as the nation's presidency, but noted that "only my common sense tells me what I must do, and I always try to do the best I can. Well, the people elected me to this post and here I am."

The president told the reporters that he wants his administration to be constructively criticized, "because this kind of criticism can help me. I need criticism because I certainly have flaws and I have to improve. Nobody is perfect, because there are positives and negatives in everyone. The important thing, however, is to work for the well-being of our countrymen."

Gen. Rodriguez emphasized the unity of the Armed Forces and the military men's commitment to the country's democratization process. [passage omitted]

Asked if the executive branch will present a draft for the constitutional reform at the upcoming Constituent Assembly, Rodriguez said it will. He called on all interested sectors, particularly the political parties, to start working on their own projects so they can go into the assembly "with clear propositions and ideas." He pointed out the need to use time wisely and urged the political groups to begin lining up their own teams of experts to write drafts for the new Constitution. He also recommended that the task be entrusted to lawyers versed in constitutional law to ensure that the country will have a constitution in tune with the requirements of present times. [passage omitted]

Peru

Fujimori Announces Declaration of Investment Law

PY2506171291 Lima Radio Nacional del Peru Pachacutec Network in Spanish 1200 GMT 25 Jun 91

[Text] President Alberto Fujimori announced yesterday the promulgation of a new law on promoting investment in the agrarian sector. Speaking on Peruvian Peasants Day, he said the promotion of investment in the agrarian sector will give legal status to the owners of land held under unclear circumstances.

Fujimori said the law will punish abandonment and indirect management of properties whose ownership is unclear and will respect the delimitation of property to avoid the ownership of large estates by a few individuals or excessive divisions to create mini latifundia.

The investment promotion law in the agrarian sector announced by President Fujimori yesterday will protect the Peruvian producer against imported products that represent unfair competition when they are offered at dumping prices. The new law also punishes speculation and unequal treatment of peasants.

The Peruvian president granted land titles yesterday in Cajamarca and Piura to farmers on the occasion of Peruvian Peasants Day.

Fujimori Says Taxes Necessary To Cover Deficit

PA2506221691 Lima Global de Television in Spanish 1255 GMT 25 Jun 91

[Text] Peruvian President Alberto Fujimori, commenting on the new fuel prices that went into effect yesterday, has said that it will be necessary to improve the tax system if the country wants to avoid further fuel price increases. After admitting that the increase will also further inflation, Fujimori said that the ideal solution would be to collect revenue for the treasury by means of a higher general sales tax.

[Begin Fujimori recording] You all know what is going on in the treasury. We have asked Congress to devise means for increasing our revenue. These means might include the so-called solidarity tax, which originally was to be levied only on public enterprise officials. Later, we proposed a 1 percent tax on corporate shares and a 1 and ½ percent tax on personal inheritance. We hope to have these two taxes approved and enacted soon. Meanwhile, the fiscal deficit forces us to try to increase our revenue base. Ideally, fiscal revenue should not come from a source such as a higher fuel tax but from other sources, such as the IGV [general sales tax] and others. Unfortunately, because we are determined not to print paper money, we must make up for this deficit somehow. In addition, it is necessary to meet the demands of the workers in various sectors. [end recording]

Student Deaths Prompt Dismissal of Policemen

PY2506164891 Madrid EFE in Spanish 1534 GMT 25 Jun 91

[Text] Lima, 25 Jun (EFE)—Peruvian Interior Minister General Victor Malca announced today that four high-ranking Peruvian policemen were dismissed following the deaths of three students who were arrested by the National Police forces. The chief of the 7th Police Region; the provincial police chief for Callao, the Lima port; and the chiefs of two Callao police stations have been dismissed from their posts.

The deaths of the three students were announced during a 23 June television program that included a recording in which it could be clearly heard that one of the students was put into a police vehicle on the morning of 21 June.

One of the arrested students, a medical student at Federico Villarreal University in Lima, was delivered dead to the "Carrion" hospital in Callao, only 10 blocks from where he was arrested. The bodies of the other two underage students were also left at that hospital; those two bodies had bullet wounds in the head and the thorax.

According to an Interior Ministry communique issued on 24 June, the students were arrested during an antiterrorist raid carried out between 17 and 21 June. The communique states that during the raid, "regrettable deaths and arrests" took place and they are currently being investigated, especially the deaths of the three students.

Interior Minister Victor Malca says he "upholds human rights and he repudiated the incidents which—he asserted—will be investigated and those responsible for them sanctioned." As a result of this incident, five policemen have been arrested and a report on the incident should be disclosed within 24 hours, the minister reported.

The students were arrested following an aborted attack against a police officer in Callao on 21 June that was seemingly perpetrated by members of the Maoist Shining Path terrorist group.

The violation of human rights is one of Peru's most serious problems. According to a congressional commission headed by socialist Senator Enrique Bernales, who is also president of the UN Human Rights Commission,

a total of 22,500 people have died due to political violence during the past 11 years. On 18 June Bernales voiced his concern over the disappearance of 65 people arrested in a zone in central Peru that is currently in a state of emergency and under military surveillance.

International humanitarian organizations regard Peru as the country with the largest number of "arrested missing" people—some 4,000 over the past eight years.

Shining Path Reportedly Kill 19 in Ayacucho

PY2506143891 Madrid EFE in Spanish 2104 GMT 24 Jun 91

[Excerpts] Ayacucho, 24 Jun (EFE)—Travelers reported here today that at least 19 people, including six soldiers, died during attacks on two townships in La Mar Province by presumed Shining Path terrorists.

Sources reported that the terrorists murdered 13 residents in San Miguel, 110 km northeast of Ayacucho, on the night of 23 June. Manuel Gavilan, a justice of the peace, was among the victims. The sources added that the attackers fired at random on a group of people, killing among others, two National Bank employees and a local municipal worker and wounding five children and a man.

According to the unofficial sources, the Shining Path also attacked San Pablo military base, 130 km north of Ayacucho in the Ayacucho jungle, early on 21 June. A column of more than 200 rebels killed six soldiers and wounded an undetermined number of military personnel during a two-hour fight. [passage omitted]

It has also been reported in Lima that a housewife who was leader of a low-income district in Callao—Lima's port—was murdered on 23 June. The criminals left the following note on the woman's body: "This is how informers die." [passage omitted]

Venezuela

Cubans Reportedly Request Political Asylum

PA2606022791 Madrid EFE in Spanish 1619 GMT 25 Jun 91

[Text] Caracas, 25 Jun (EFE)—Two Cubans, members of the Cuban softball team which won the Central American and Caribbean championship held this weekend in Venezuela, have abandoned their team to ask for political asylum in Caracas, the spokesman of a Cuban exile group reported today.

Pitcher Hector Torres and designated hitter Victor Franco left their team on 23 June with the intention of staying in Venezuela, Salvador Ramon, president of the Cuban Patriotic Board, announced.

Meanwhile, Raul Villanueva, head of Cuba's softball delegation, has reported the disappearance of the two athletes to the Venezuelan Directorate of Intelligence and Prevention Services (Disip).

Questioned by EFE, the Foreign Ministry stated that the whereabouts of the two Cubans is being investigated to determine what has happened to them.